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Date of Deposit: 11/19/2004 By: Jana M. Villasenor

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of: Lewis et al.	Confirmation No. 9722
Serial No.: 09/812,704	Examiner: Christopher Gilligan
Filed: March 19, 2001	Group Art Unit: 3626
For: **METHODS AND SYSTEMS FOR HEALTHCARE PRACTICE MANAGEMENT**	Attorney Docket No. 044258.03

DECLARATION UNDER 37 C.F.R. §1.131

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P.O. Box 1450
Alexandria, VA 22313-1450

Charles C. Lewis and Terrance Moore declare as follows:

1. We are the co-inventors of the above-referenced patent application. Claims 1-36, 38-45, and 50-56 (the "Claims") of this patent application have been rejected under 35 U.S.C. § 103 as being obvious over U.S. Patent No. 6,012,035 (Freeman, Jr. et al.) in view of U.S. Patent No. 6,370,511 (Dang) and further in view of an article by Young and McCarthy, titled "*Aligning Physician Financial Incentives in a Mixed-Payment Environment*". The Young and McCarthy article was published in October 2000.

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2. Although we disagree with the rejection, we are submitting this declaration without prejudice to show that we conceive and reduced to practice most of the claims prior to October 2000 and conceived and moved with due diligence toward actual reduction to practice others of the claims prior to October 2000.

3. Prior to 1999, Mr. Lewis conceived, developed, and tested "bits and pieces" of a system in the United States that would later be reduced to practice as the system and methods as claimed in the above-referenced patent application. At that time, the "bits and pieces" that were conceived, developed, and tested included collecting and analyzing pharmacy data and statistically identifying physicians whose behavior resulted in elevated PMPM costs. Mr. Lewis' conception of the above-referenced system and methods coupled with reasonable due diligence to actual reduction to practice are evidenced by the Table of the Claims and attached Exhibits #1-18. The attached Exhibits include copies of a physician report card, indicating the medications prescribed by the doctor in the previous month, as Exhibit #1; a "Rx P.A.D," which is a pocket reference distributed to physicians in the network to appraise them of what procedures are preferred, acceptable, or discouraged by the network, as Exhibit #2; a purchase receipt of server and network computers purchased by Physician Pharmacy Practices (P3), Inc, from a computer company, as Exhibit #3; an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network as Exhibit #4; a management report, indicating the current prescribing costs of each physician, as Exhibit #5; a contract between P3 and Telesis Health Management (Telesis), demonstrating services, methodology and revenue structure, as Exhibit #6; Drug Treatment Protocols used by P3 to prepare prescribing guidelines as Exhibit #7; presentation slides of a Continuing Education Program, at which Mr. Lewis was a presenter, as Exhibit #8; a letter to Prudential HealthCare (PruCare) patients explaining pharmacy service as

Exhibit #9; a chart insert developed and used by Mr. Lewis, presented at PruCare Clinical Management Committee Meeting, as Exhibit #10; prescriber notifications of high cost patients as Exhibit #11; worksheet calculations showing the potential savings to the client as Exhibit #12; a check list for physicians to give to patients on physician group letterhead advising of over-the-counter products as Exhibit #13; a letter to sponsor of conversion program to more cost effective cholesterol-lowering drugs composed by Mr. Lewis as Exhibit #14; formulary developed by Mr. Lewis and other members of the PruCare P&T Committee as Exhibit #15; e-mail correspondence from a representative of the drug company sponsoring a drug conversion program, indicating the strategies to be employed in the program, as Exhibit #16; a letter composed by Mr. Lewis for use by all clinical pharmacists in the Orlando market as Exhibit #17; and a form letter on practice letterhead from a doctor to a pharmacy advising to convert drugs as Exhibit #18.

4. In April 2000, Mr. Moore joined Mr. Lewis in further laying the groundwork for what would eventually become The Jasos Group, Inc. ("Jasos"). Mr. Moore assisted Mr. Lewis in further conceiving, developing and launching the above-referenced system and methods in the United States by:

(A) developing operational and financial structure of the system and methods of the above-referenced patent application; and

(B) developing a fee-based product for those clients who prefer an option to the above-referenced system and methods.

5. From April 2000 to October 2000, we made additional improvements as related to 4 (A) and (B) above and continued to develop the above-referenced system and methods in an effort to perfect them up to the filing of the above-referenced patent application. The improvements that were made to the system and methods during development and perfection that occurred after

testing included incentivizing physicians in the healthcare networks, making changes to payment schedules and cost responsibilities, target markets, and physician training. During this period of time, we took diligent steps toward actual reduction to practice. For example, we worked on product marketing and development after we joined forces. In order to get funding, we filed a U.S. Small Business Administration (SBA) loan application around July-August 2000. A business plan for Jasos also was prepared as required by SBA. A version of the business plan, as prepared in September 2000, is shown in Exhibit #19. We received the final SBA loan approval in October 2000, as evidenced by a letter from a bank to Jasos shown in Exhibit #20. While we were waiting for the SBA loan approval, we attended a trade show named "MGMA Annual Conference" in October 2000. Prior to the trade show, we had ordered brochures describing the product services from a company as evidenced by an invoice dated in June 2000, as shown in Exhibit #21. We received a fax confirmation of the Jasos brochure ordering from the company in September 2000. The fax confirmation and the final version of the brochure used at the trade show are presented as Exhibit #22. We signed a sponsorship agreement for the trade show in September 2000, as evidenced in Exhibit #23. Also in August 2000, we filed an application for registering Jasos as a limited liability corporation with Florida Department of State, Division of Corporations, as evidenced in Exhibit #24. We acquired a new computer for analysis from a computer company in early October 2000, prior to the trade show and SBA loan approval. We had previously used our personal computers for the software and systems. A copy of the purchase receipt from the computer company is presented as Exhibit #25. After we received the SBA loan approval, we opened a bank account for Jasos. An opening statement is presented as Exhibit #26.

6. The names of those who were involved in some of the correspondence have been redacted from Exhibits #1-26, as is permitted.

7. In summary, we conceived the subject matter of Claims 1-36, 38-45, and 50-56 of the above-referenced patent application in the United States and moved with reasonable due diligence to a subsequent actual reduction to practice of all the claims, except Claim 25-36, prior to October 2000 (see paragraph 3 above). In addition to conception for some elements of Claims 25-36 occurring between April 2000 and August 2000, we, at the minimum, took steps with reasonable due diligence towards actual reduction to practice of Claim 25-36 prior to October 2000 (see paragraphs 4-5 above).

8. We further declare that all statements made herein of our own knowledge and all statements made on information and belief are believed to be true; and further that these statements are made with the knowledge that willful and false statements and the like so made are punishable by fine or imprisonment or both under § 1001 of Title 18 of United States Code and that such willful and false statements may jeopardize the validity of the above-referenced application and any patent issuing therefrom.

FURTHER DECLARANT SAYETH NOT.

Charles C. Lewis — Date: 11/19/2004

Terrance Moore — Date: 11/19/2004

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Claim No.	Claim Description	Evidence	Date
1	(Currently Amended) A method of managing a healthcare practice participating in an insurance network to enhance profitability of the healthcare practice with respect to a predetermined reimbursement amount for pharmacy costs, the method comprising: gathering data in a tangible computer medium from each of a plurality of physicians in the healthcare practice participating in the insurance network regarding management of the pharmacy costs other than those attributed by a medical procedure performed directly by one each of the plurality of physicians when the physician directly administers a medication to a patient to thereby define ancillary pharmacy costs; identifying from the tangible computer medium at least one of the plurality of physicians in the healthcare practice participating in the insurance network that is at a greater risk of not receiving the predetermined reimbursement amount for the ancillary pharmacy costs from the insurance network by prescribing medications that are detrimental to receiving the predetermined reimbursement amount for the ancillary pharmacy costs; and after the step of identifying, modifying management behavior of the at least one of the plurality of physicians at the greater risk regarding the ancillary pharmacy costs to substantially reduce the risk of not receiving the predetermined reimbursement amount for the ancillary pharmacy costs from the insurance network and thereby increase the profitability of the healthcare practice.	Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9". Based on the SERV DSCRP, ICD9 Code, and drug prescribed, our program would identify possible adverse reactions between drugs. Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians.	Exhibit 4 – December 1998 Exhibit 5 – November 1998 Exhibit 6 – October 30, 1998
2	The method as defined in Claim 1, wherein the step of gathering data in the tangible computer medium includes gathering information regarding the ancillary pharmacy costs of each of the plurality of physicians in the healthcare practice participating in the insurance network from a database associated with a pharmacy network, the database positioned on a server in communication with each of a plurality of pharmacies in the pharmacy network participating in the insurance network.	Exhibit 3 This exhibit shows the server and network computers used to in the management optimization system. The server was used to download and collate the type of raw data shown in Exhibit 4. The server and network computers had the necessary software installed to analyze the data and generate the communication materials for the network physicians. Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9". Based on the SERV DSCRP, ICD9 Code, and drug prescribed, our program would identify possible adverse reactions between drugs.	Exhibit 3 - December 30, 1998 Exhibit 4 – December, 1998

Claim No.	Claim Description	Evidence	Date
3	The method as defined in Claim 1, wherein the step of identifying the at least one physician comprises analyzing the ancillary pharmacy costs of each of the plurality of physicians in the healthcare practice, calculating an average ancillary pharmacy cost per physician for the healthcare practice, and identifying the physicians that have ancillary pharmacy costs that are a predetermined percentage greater than the average ancillary pharmacy costs per physician for the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network.	Exhibit 5 – November 1998
4	The method as defined in Claim 1, wherein the step of identifying the at least one physician comprises selecting the physician having the highest ancillary pharmacy costs within the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network.	Exhibit 5 – November 1998
5	The method as defined in Claim 1, wherein the step of modifying the at least one physician's management behavior regarding the ancillary pharmacy costs comprises educating the at least one physician on the benefits of alternative prescription medications using research literature for comparing the alternative medications to the prescribed medications and organizing continued medical education classes to educate each of the plurality of physicians in the healthcare practice on the benefits of the alternative prescription medications.	Exhibit 1 This report indicates the data from the databases showing when procedures that are more preferred by the network (column labeled "Preferred Product") are used, savings can be realized (column labeled "Pref Prod Savings"). When the field in the "Pref Prod Savings" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Exhibit 7 Primary resource used by P3 to prepare prescribing guidelines. Pages 6 and 7 verify that this reference is, in fact, peer reviewed. Exhibit 8 Presentation slides of a Continuing Ed. Program dealing with patients and changes in their medications. Slide 2 indicates this was a CE program sanctioned by the State of Florida Board of Pharmacy. Page 3 indicates Charles "Tim" Lewis a presenter in this program. Exhibit 14 Letter to sponsor of conversion program to more cost effective cholesterol-lowering drugs. Letter refers to a physician CE meeting and patient interventions. Exhibit 16 E-mail from a representative of the drug company sponsoring a drug conversion program. E-mail indicates the strategies to be employed in the program, including in-service education to doctors and ancillary staff. Also references two P3 clients, Telesis and Deaconess.	Exhibit 1 - January 23, 1999 Exhibit 7 - 1997 Exhibit 8 – April 30, 1995 Exhibit 14 – January 14, 1999 Exhibit 16 – February 18, 1999

Claim No.	Claim Description	Evidence	Date
6	The method as defined in Claim 5, wherein the step of modifying the at least one physician's management behavior further comprises preparing a list of prescription medications that the at least one physician may prescribe that enable a physician to receive the predetermined reimbursement amount for the ancillary pharmacy costs.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 15 Formulary developed by Tim Lewis and other members of the Prudential HealthCare (PruCare) P&T Committee.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999 Exhibit 15 – April 20, 1995
7	The method as defined in Claim 6, wherein the step of modifying the at least one physician's management behavior further comprises providing custom prescription medication forms that include the list of prescription medications that the at least one physician may prescribe that enable the at least one physician to receive the predetermined reimbursement amount for the ancillary pharmacy costs.	Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 13 Custom Rx tool for physicians to give to patients on physician group letterhead advising of OTC products.	Exhibit 2 – January 14, 1999 Exhibit 13 – March 1997
8	The method as defined in Claim 7, wherein the insurance network comprises one of the plurality of insurance networks, the at least one physician participates in the plurality of insurance networks, and wherein the step of modifying the at least one physician's management behavior further comprises preparing a list of common prescription medications that are approved by each of the plurality of insurance networks so as to enable the at least one physician to receive the predetermined reimbursement amount for the ancillary pharmacy costs.	Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99.	Exhibit 2 – January 14, 1999

Claim No.	Claim Description	Evidence	Date
9	The method as defined in Claim 7, wherein the step of modifying the at least one physician's management behavior further comprises analyzing a patient's prescription history to thereby avoid possible adverse prescription medication reactions.	Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9". Based on the SERV DSCRP, ICD9 Code, and drug prescribed, our program would identify possible adverse reactions between drugs.	Exhibit 4 – December 1998
10	The method as defined in Claim 9, further comprising providing patient intervention to modify the at least one physician's management behavior, the patient intervention including identifying at least one patient whose present prescription medications put the at least one physician at risk for not receiving the predetermined reimbursements for the ancillary pharmacy costs, amending the at least one patient's present prescription medications to decrease the at least one physician's risk of not receiving the predetermined reimbursements for the ancillary pharmacy costs, and discontinuing the at least one patient's present prescription medications that put the at least one physician at risk for not receiving the predetermined reimbursements for the ancillary pharmacy costs.	Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians. Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Patients can't be named due to HIPAA, so the drugs were used instead for physician education. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 10 Copy of chart insert developed and used by T. Lewis. Presented at PruCare Clinical Management Committee Meeting. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 6 – October 30, 1998 Exhibit 1 - January 23, 1999 Exhibit 10 – March, 20 1997 Exhibit 11 – April 1999
11	The method as defined in Claim 10, wherein the step of discontinuing the at least one patient's present prescription medications further includes preparing first and second letters on the at least one physician's letterhead, the first letter informing the pharmacy that the at least one patient's present prescription medication is discontinued and the second letter informing the at least one patient that the patient's present prescription medication is discontinued, wherein the first and second letters are reviewed for accuracy, signed by the physician, and transmitted to the pharmacy.	Patients and their conditions can't be named due to HIPAA. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 9 Letter to Prudential HealthCare patients explaining pharmacy services. Intent of letter was to promote compliance. Letter composed by T. Lewis. Exhibit 18 Form letter on practice letterhead from doctor to pharmacy advising to convert drugs. March, 1999.	Exhibit 9 - 1997 Exhibit 18 – March 10, 1999

Claim No.	Claim Description	Evidence	Date
12	The method as defined in Claim 1, further comprising updating each of the plurality of physicians in the healthcare practice of any changes in the management of ancillary pharmacy costs from the insurance network.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999
13	A method of managing a healthcare practice participating in an insurance network to enhance profitability of the healthcare practice with respect to a predetermined reimbursement amount for medical costs other than those attributed directly to a medical procedure performed by a physician to thereby define ancillary medical costs, the method comprising: gathering data in a tangible computer medium from each of a plurality of physicians in the healthcare practice participating in the insurance network regarding management of the ancillary medical costs; identifying from the tangible computer medium at least one of the plurality of physicians in the healthcare practice participating in the insurance network that is at a greater risk of not receiving the predetermined reimbursement amount for the ancillary medical costs from the insurance network by engaging in medical procedures other than those performed directly by one each of the plurality of physicians and that are detrimental to receiving the predetermined reimbursement amount for the ancillary medical costs; and after the step of identifying, modifying management behavior of the at least one of the plurality of physicians at the greater risk regarding the ancillary medical costs to substantially reduce the risk of not receiving the predetermined reimbursement amount for the ancillary medical costs from the insurance network and thereby increase the profitability of the healthcare practice.	Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9". Based on the SERV DSCRP, ICD9 Code, and drug prescribed, our program would identify possible adverse reactions between drugs. Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians.	Exhibit 4 – December 1998 Exhibit 5 – November 1998 Exhibit 6 – October 30, 1998

Claim No.	Claim Description	Evidence	Date
14	The method as defined in Claim 13, wherein the step of gathering data in the tangible computer medium includes gathering information regarding the ancillary medical costs of each of the plurality of physicians in the healthcare practice participating in the insurance network from databases associated with ancillary medical networks, the databases positioned on servers in communication with each of a plurality of ancillary medical facilities participating in the ancillary medical networks.	Exhibit 3 This exhibit shows the server and network computers used to in the management optimization system. The server was used to download and collate the type of raw data shown in Exhibit 4. The server and network computers had the necessary software installed to analyze the data and generate the communication materials for the network physicians. Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9". Based on the SERV DSCRP, ICD9 Code, and drug prescribed, our program would identify possible adverse reactions between drugs.	Exhibit 3 - December 30, 1998 Exhibit 4 – December, 1998
15	The method as defined in Claim 13, wherein the step of identifying the at least one physician comprises analyzing the ancillary medical costs of each of the plurality of physicians in the healthcare practice, calculating an average ancillary medical cost per physician for the healthcare practice, and identifying the physicians that have ancillary medical costs that are a predetermined percentage greater than the average ancillary medical cost per physician for the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network.	Exhibit 5 – November 1998
16	The method as defined in Claim 13, wherein the step of identifying the at least one physician comprises selecting the physician having the highest ancillary medical costs within the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network.	Exhibit 5 – November 1998

Claim No.	Claim Description	Evidence	Date
17	The method as defined in Claim 13, wherein the step of modifying the at least one physician's management behavior comprises educating the at least one physician on benefits of alternative ancillary medical procedures using research literature for comparing the alternative ancillary medical procedures to current ancillary medical procedures and further comprises organizing continued medical education classes through ancillary medical facilities to educate each of the plurality of physicians in the healthcare practice on the benefits of the alternative ancillary medical procedures.	Exhibit 1 This report indicates the data from the databases showing when procedures that are more preferred by the network (column labeled "Preferred Product") are used, savings can be realized (column labeled "Pref Prod Savings"). When the field in the "Pref Prod Savings" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Exhibit 7 Primary resource used by P3 to prepare prescribing guidelines. Pages 6 and 7 verify that this reference is, in fact, peer reviewed. Exhibit 8 Presentation slides of a Continuing Ed. Program dealing with patients and changes in their medications. Slide 2 indicates this was a CE program sanctioned by the State of Florida Board of Pharmacy. Page 3 indicates Charles "Tim" Lewis a presenter in this program. Exhibit 14 Letter to sponsor of conversion program to more cost effective cholesterol-lowering drugs. Letter refers to a physician CE meeting and patient interventions. Exhibit 16 E-mail from a representative of the drug company sponsoring a drug conversion program. E-mail indicates the strategies to be employed in the program, including in-service education to doctors and ancillary staff. Also references two P3 clients, Telesis and Deaconess.	Exhibit 1 - January 23, 1999 Exhibit 7 - 1997 Exhibit 8 – April 30, 1995 Exhibit 14 – January 14, 1999 Exhibit 16 – February 18, 1999

Claim No.	Claim Description	Evidence	Date
18	The method as defined in Claim 17, wherein the step of modifying the at least one physician's management behavior further comprises preparing a list of ancillary medical procedures that the at least one physician may engage in that enable the at least one physician to receiving the predetermined reimbursement amount for the ancillary medical costs.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 15 Formulary developed by Tim Lewis and other members of the Prudential HealthCare (PruCare) P&T Committee.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999 Exhibit 15 – April 20, 1995
19	The method as defined in Claim 18, wherein the step of modifying the at least one physician's management behavior further comprises providing custom medical procedure forms that include the list of ancillary medical procedures to thereby define custom ancillary medical procedure forms and that the at least one physician should engage in to further enable the at least one physician to receive the predetermined reimbursement amount for the ancillary medical costs.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999

Claim No.	Claim Description	Evidence	Date
20	The method as defined in Claim 13, wherein the insurance network comprises one of the plurality of insurance networks, the at least one physician participates in the plurality of insurance networks, and wherein the step of modifying the at least one physician's management behavior further comprises preparing a list of common ancillary medical procedures that are approved by each of the plurality of insurance networks so as to enable the at least one physician to receive the predetermined reimbursement amount for the ancillary medical costs.	Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99.	Exhibit 2 – January 14, 1999
21	The method as defined in Claim 20, further comprises providing patient intervention to modify the at least one physician's management behavior, the patient intervention including identifying at least one patient whose present ancillary medical procedures put the at least one physician at risk for not receiving the predetermined reimbursements for the ancillary medical costs, amending the at least one patient's present ancillary medical procedures to decrease the at least one physician's risk of not receiving the predetermined reimbursements for the ancillary medical costs, and discontinuing the at least one patient's present ancillary medical procedures that put the at least one physician at risk for not receiving the predetermined reimbursements for the ancillary medical costs.	Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians. Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Patients can't be named due to HIPAA, so the drugs were used instead for physician education. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 10 Copy of chart insert developed and used by T. Lewis. Presented at PruCare Clinical Management Committee Meeting.	Exhibit 6 – October 30, 1998 Exhibit 1 - January 23, 1999 Exhibit 10 – March, 20 1997
22	The method as defined in Claim 21, wherein the step of discontinuing the at least one patient's ancillary medical procedures further includes preparing first and second letters on the at least one physician's letterhead, the first letter informing the ancillary medical facility that the at least one patient's present ancillary medical procedures are discontinued and the second letter informing the at least one patient that the patient's present ancillary medical procedures are discontinued, wherein the first and second letters are reviewed for accuracy, signed by the physician, and transmitted to the ancillary medical facility.	Patients and their conditions can't be named due to HIPAA. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 9 Letter to Prudential HealthCare patients explaining pharmacy services. Intent of letter was to promote compliance. Letter composed by T. Lewis. Exhibit 18 Form letter on practice letterhead from doctor to pharmacy advising to convert drugs. March, 1999.	Exhibit 9 - 1997 Exhibit 18 – March 10, 1999

Claim No.	Claim Description	Evidence	Date
23	The method as defined in Claim 20, further comprising updating each of the plurality of physicians in the healthcare practice of any changes in the management of ancillary medical costs from the insurance network.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999
24	The method as defined in Claim 20, wherein the ancillary medical costs include any costs taken from the group of pharmacy, anesthesiology, blood, blood storage procedure and administration, radiology, electroencephalogram, electrocardiogram, emergency room, intravenous therapy, organ and tissue acquisition, labor and delivery, medical/surgical supplies, nuclear medicine, occupational therapy, operating room, physical therapy, recovery room, renal dialysis, respiratory therapy, special care, speech therapy, or therapeutic radiology.	A database listing procedures other than those preferred by physicians in a network means any procedure not indicated in the database. The same holds true for costs referred to in the second database. For both databases, commercially available datasets are used, i.e., http://www.firstdatabank.com/knowledge_bases/nddf_plus/.	

Claim No.	Claim Description	Evidence	Date
25	A method of optimizing the profitability of an insurance network having a plurality of physicians in a healthcare practice participating therein by managing ancillary medical costs, the method comprising the steps of: gathering data in a tangible computer medium from each of the plurality of physicians in the healthcare practice participating in the insurance network regarding management of medical costs other than those attributed directly to procedures performed by one each of the plurality of physicians to thereby define ancillary medical costs; identifying from the tangible computer medium at least one of the plurality of physicians in the healthcare practice participating in the insurance network that is at a greater risk of not receiving a predetermined reimbursement amount for the ancillary medical costs from the insurance network by performing activities that are detrimental to receiving the predetermined reimbursement amount for the ancillary medical costs; after the step of identifying, modifying management behavior of the at least one of the plurality of physicians' in the healthcare practice regarding ancillary medical costs that are not profitable for the insurance network responsive to the gathered data; and providing a financial incentive to the insurance network and the plurality of physicians in the healthcare practice participating in the insurance network to modify the plurality of physicians' management behavior of ancillary medical costs that are not as profitable to the insurance network.	Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9". Based on the SERV DSCRP, ICD9 Code, and drug prescribed, our program would identify possible adverse reactions between drugs. Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians. Exhibit 12 Plan saving calculations for the program and provided monthly	Exhibit 4 – December 1998 Exhibit 5 – November 1998 Exhibit 6 – October 30, 1998 Exhibit 12 – October 8, 1998
26	The method as defined in Claim 25, wherein the step of gathering data in the tangible computer medium includes gathering information regarding the ancillary medical costs of each of the plurality of physicians participating in the insurance network from databases associated with a plurality of medical networks other than those attributed directly to the plurality of physicians to thereby define a plurality of medical networks, the databases positioned on servers in communication with each of a plurality of ancillary medical facilities participating in the ancillary medical networks and other than those facilities attributed directly to the plurality of physicians to thereby define a plurality of ancillary medical facilities.	Exhibit 3 This exhibit shows the server and network computers used to in the management optimization system. The server was used to download and collate the type of raw data shown in Exhibit 4. The server and network computers had the necessary software installed to analyze the data and generate the communication materials for the network physicians. Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9". Based on the SERV DSCRP, ICD9 Code, and drug prescribed, our program would identify possible adverse reactions between drugs.	Exhibit 3 - December 30, 1998 Exhibit 4 – December, 1998

Claim No.	Claim Description	Evidence	Date
27	The method as defined in Claim 25, wherein the step of identifying includes the step of identifying at least one of the plurality of physicians in the healthcare practice participating in the insurance network whose management of ancillary medical costs is not profitable to the insurance network.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 5 – November 1998 Exhibit 11 – April 1999
28	The method as defined in Claim 27, wherein the step of identifying the at least one of the plurality of physicians whose management of ancillary medical costs is not profitable to the insurance network includes the steps of calculating an average ancillary medical cost per physician for the healthcare practice, and identifying the physicians that have ancillary medical costs that are a predetermined percentage greater than the average ancillary medical cost per physician for the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 5 – November 1998 Exhibit 11 – April 1999
29	The method as described in Claim 27, wherein the step of identifying the at least one of the plurality of physicians includes selecting the at least one of the plurality of physicians having the highest ancillary medical costs within the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 5 – November 1998 Exhibit 11 – April 1999

Claim No.	Claim Description	Evidence	Date
30	The method as defined in Claim 26, wherein the step of modifying the plurality of physicians' management behavior regarding ancillary medical costs that are not profitable for the insurance network includes educating the plurality of physicians on benefits of alternative medical procedures other than those performed directly by one of the plurality of physicians to thereby define ancillary medical procedures using research literature for comparing the alternative ancillary medical procedures with current ancillary medical procedures and further comprises organizing continued medical education classes through the ancillary medical facilities to educate each of the plurality of physicians in the healthcare practice on the benefits of the alternative ancillary medical procedures.	Exhibit 1 This report indicates the data from the databases showing when procedures that are more preferred by the network (column labeled "Preferred Product") are used, savings can be realized (column labeled "Pref Prod Savings"). When the field in the "Pref Prod Savings" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Exhibit 7 Primary resource used by P3 to prepare prescribing guidelines. Pages 6 and 7 verify that this reference is, in fact, peer reviewed. Exhibit 8 Presentation slides of a Continuing Ed. Program dealing with patients and changes in their medications. Slide 2 indicates this was a CE program sanctioned by the State of Florida Board of Pharmacy. Page 3 indicates Charles "Tim" Lewis a presenter in this program. Exhibit 14 Letter to sponsor of conversion program to more cost effective cholesterol-lowering drugs. Letter refers to a physician CE meeting and patient interventions. Exhibit 16 E-mail from a representative of the drug company sponsoring a drug conversion program. E-mail indicates the strategies to be employed in the program, including in-service education to doctors and ancillary staff. Also references two P3 clients, Telesis and Deaconess.	Exhibit 1 - January 23, 1999 Exhibit 7 - 1997 Exhibit 8 – April 30, 1995 Exhibit 14 – January 14, 1999 Exhibit 16 – February 18, 1999

Claim No.	Claim Description	Evidence	Date
31	The method as defined in Claim 30, wherein the step of modifying the plurality of physicians' management behavior further comprises preparing a list of the ancillary medical procedures that the plurality of physicians should engage in that are more profitable to the insurance network.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 15 Formulary developed by Tim Lewis and other members of the Prudential HealthCare (PruCare) P&T Committee.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999 Exhibit 15 – April 20, 1995
32	The method as defined in Claim 31, wherein the step of modifying the plurality of physicians' management behavior further comprises providing custom medical procedure forms that include the list of the ancillary medical procedures to thereby define custom ancillary medical procedure forms and that the plurality of physicians should engage in that are more profitable to the insurance network.	Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 13 Custom Rx tool for physicians to give to patients on physician group letterhead advising of OTC products.	Exhibit 2 – January 14, 1999 Exhibit 13 – March 1997

Claim No.	Claim Description	Evidence	Date
33	The method as defined in Claim 32, further comprises providing patient intervention to modify the plurality of physicians' management behavior, the patient intervention including identifying at least one patient whose present ancillary medical procedures are not as profitable for the insurance network and amending the at least one patient's present ancillary medical procedures to ancillary medical procedures that are more profitable to the insurance network.	Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians. Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Patients can't be named due to HIPAA, so the drugs were used instead for physician education. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 10 Copy of chart insert developed and used by T. Lewis. Presented at PruCare Clinical Management Committee Meeting. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 6 – October 30, 1998 Exhibit 1 - January 23, 1999 Exhibit 10 – March, 20 1997 Exhibit 11 – April 1999
34	The method as defined in Claim 33, wherein the step of amending the at least one patient's present ancillary medical procedures further includes preparing first and second letters on the plurality of physicians' letterhead, the first letter informing the ancillary medical facility that the at least one patient's present ancillary medical procedures are amended to new ancillary medical procedure and the second letter informing the at least one patient that the patient's present ancillary medical procedures are amended to the new ancillary medical procedures, wherein the first and second letters are reviewed for accuracy, signed by the physician, and transmitted to the respective ancillary medical facility and the at least one patient.	Patients and their conditions can't be named due to HIPAA. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 9 Letter to Prudential HealthCare patients explaining pharmacy services. Intent of letter was to promote compliance. Letter composed by T. Lewis. Exhibit 18 Form letter on practice letterhead from doctor to pharmacy advising to convert drugs. March, 1999.	Exhibit 9 - 1997 Exhibit 18 – March 10, 1999

Claim No.	Claim Description	Evidence	Date
35	The method as defined in Claim 30, further comprising updating each of the plurality of physicians in the healthcare practice of new ancillary medical procedures that are more profitable to the insurance network.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 17 Letter composed by Tim Lewis for use by all clinical pharmacists in the Orlando market.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999 Exhibit 17 – April 3, 1995
36	The method as defined in Claim 25, wherein the ancillary medical costs include any costs taken from the group of pharmacy, anesthesiology, blood, blood storage procedure and administration, radiology, electroencephalogram, electrocardiogram, emergency room, intravenous therapy, organ and tissue acquisition, labor and delivery, medical/surgical supplies, nuclear medicine, occupational therapy, operating room, physical therapy, recovery room, renal dialysis, respiratory therapy, special care, speech therapy, or therapeutic radiology.	A database listing procedures other than those preferred by physicians in a network means any procedure not indicated in the database. The same holds true for costs referred to in the second database. For both databases, commercially available datasets are used, i.e., http://www.firstdatabank.com/knowledge_bases/nddf_plus/.	

Claim No.	Claim Description	Evidence	Date
37	A healthcare management optimization system for a healthcare practice including a plurality of physicians participating in an insurance network comprising: - a first database comprising medical procedures other than those performed directly by each of the plurality of physicians to thereby define ancillary medical procedures that are preferred by the insurance network - a second database comprising medical costs other than those attributed directly to medical procedures performed by each of the plurality of physicians to thereby define ancillary medical costs of each of the plurality of physicians participating in the insurance network; - an analyzer in communication with the first and second databases for analyzing the data in the first and second databases and comparing the ancillary medical procedures that are preferred by the insurance network with the ancillary medical costs of the plurality of physicians participating in the insurance network to thereby identify ancillary medical costs of the physicians that are not preferred by the insurance network; and - managing means responsive to the analyzer for managing the ancillary medical costs of the healthcare practice identified as not being preferred by the insurance network to thereby modify the ancillary medical costs of the physicians in the healthcare practice to be more profitable to the insurance network.	A database listing procedures other than those preferred by physicians in a network means any procedure not indicated in the database. The same holds true for costs referred to in the second database. For both databases, commercially available datasets are used, i.e., http://www.firstdatabank.com/knowledge_bases/nddf_plus/. Exhibit 1 This exhibit is a physician report generated by the analyzer and communicated to each physician. The report indicated the procedure chosen by the physician and its cost. It also indicated whether the procedure is the procedure preferred by the network and, if not, what the preferred procedure is and its cost. Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99.	Exhibit 1 – January 23, 1999 Exhibit 2 – January 14, 1999
38	The healthcare management optimization system as defined in Claim 37, wherein the managing means includes an identifier for identifying at least one of the plurality of physicians in the healthcare practice participating in the insurance network that is at a greater risk of not receiving a predetermined reimbursement amount for the ancillary medical costs from the insurance network by engaging in ancillary medical procedures that are detrimental to receiving the predetermined reimbursement amount for the ancillary medical costs.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 5 – November 1998 Exhibit 11 – April 1999
39	The healthcare management optimization system as defined in Claim 38, wherein the analyzer further includes calculating means for calculating an average ancillary medical cost per physician for the healthcare practice and identifying the at least one physician that has ancillary medical costs that are a predetermined percentage greater than the average ancillary medical costs per physician for the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 5 – November 1998 Exhibit 11 – April 1999

Claim No.	Claim Description	Evidence	Date
40	The healthcare management optimization system as defined in Claim 39, further comprising an educator responsive to the analyzer for educating the at least one physician on benefits of alternative ancillary medical procedures using research literature for comparing the alternative ancillary medical procedures to current ancillary medical procedures and further includes continued medical education classes to educate each of the plurality of physicians in the healthcare practice on the benefits of the alternative ancillary medical procedures.	Exhibit 1 This report indicates the data from the databases showing when procedures that are more preferred by the network (column labeled "Preferred Product") are used, savings can be realized (column labeled "Pref Prod Savings"). When the field in the "Pref Prod Savings" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Exhibit 7 Primary resource used by P3 to prepare prescribing guidelines. Pages 6 and 7 verify that this reference is, in fact, peer reviewed. Exhibit 8 Presentation slides of a Continuing Ed. Program dealing with patients and changes in their medications. Slide 2 indicates this was a CE program sanctioned by the State of Florida Board of Pharmacy. Page 3 indicates Charles "Tim" Lewis a presenter in this program. Exhibit 14 Letter to sponsor of conversion program to more cost effective cholesterol-lowering drugs. Letter refers to a physician CE meeting and patient interventions. Exhibit 16 E-mail from a representative of the drug company sponsoring a drug conversion program. E-mail indicates the strategies to be employed in the program, including in-service education to doctors and ancillary staff. Also references two P3 clients, Telesis and Deaconess.	Exhibit 1 - January 23, 1999 Exhibit 7 - 1997 Exhibit 8 – April 30, 1995 Exhibit 14 – January 14, 1999 Exhibit 16 – February 18, 1999
41	The healthcare management optimization system as defined in Claim 40, further comprises custom medical procedure forms provided to each of the plurality of physicians in the healthcare practice participating in the insurance network that include the ancillary medical procedures that are preferred by the insurance network to thereby define custom ancillary medical procedure forms.	Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 13 Custom Rx tool for physicians to give to patients on physician group letterhead advising of OTC products.	Exhibit 2 – January 14, 1999 Exhibit 13 – March 1997

Claim No.	Claim Description	Evidence	Date
42	The healthcare management optimization system as defined in Claim 41, wherein the managing means further comprises patient intervening means for identifying at least one patient whose present ancillary medical procedures are not preferred by the insurance network and amending the at least one patient's present ancillary medical procedures.	Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians. Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Patients can't be named due to HIPAA, so the drugs were used instead for physician education. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 10 Copy of chart insert developed and used by T. Lewis. Presented at PruCare Clinical Management Committee Meeting. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 6 – October 30, 1998 Exhibit 1 - January 23, 1999 Exhibit 10 – March, 20 1997 Exhibit 11 – April 1999
43	The healthcare management optimization system as defined in Claim 42, wherein the management means further comprises generating means for generating first and second letters, the first letter informing the ancillary medical facility that the at least one patient's ancillary medical procedures are amended to new ancillary medical procedures and the second letter informing the at least one patient that the patient's present ancillary medical procedures are amended to the new ancillary medical procedures, wherein the first and second letters are reviewed for accuracy, signed by the physician, and transmitted to the respective ancillary medical facility and the at least one patient.	Patients and their conditions can't be named due to HIPAA. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 9 Letter to Prudential HealthCare patients explaining pharmacy services. Intent of letter was to promote compliance. Letter composed by T. Lewis. Exhibit 18 Form letter on practice letterhead from doctor to pharmacy advising to convert drugs. March, 1999.	Exhibit 9 - 1997 Exhibit 18 – March 10, 1999

Claim No.	Claim Description	Evidence	Date
44	The healthcare management optimization system as defined in Claim 43, wherein the management means further comprises an updater for updating each of the plurality of physicians in the healthcare practice of any changes in the management of ancillary medical costs that are preferred by the insurance network.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 17 Letter composed by Tim Lewis for use by all clinical pharmacists in the Orlando market.	Exhibit 1 - January 23, 1999 Exhibit 2 – January 14, 1999 Exhibit 17 – April 3, 1995
45	The healthcare management optimization system as defined in Claim 44, wherein the ancillary medical costs include any costs taken from the group of pharmacy, anesthesiology, blood, blood storage procedure and administration, radiology, electroencephalogram, electrocardiogram, emergency room, intravenous therapy, organ and tissue acquisition, labor and delivery, medical/surgical supplies, nuclear medicine, occupational therapy, operating room, physical therapy, recovery room, renal dialysis, respiratory therapy, special care, speech therapy, or therapeutic radiology.	A database listing procedures other than those preferred by physicians in a network means any procedure not indicated in the database. The same holds true for costs referred to in the second database. For both databases, commercially available datasets are used, i.e., http://www.firstdatabank.com/knowledge_bases/nddf_plus/.	

Claim No.	Claim Description	Evidence	Date
46	A healthcare management optimization system for a healthcare practice including a plurality of physicians participating in an insurance network comprising: - a server having at least one database; - a communications network positioned to be in communication with the server; - a plurality of computers positioned to be in communication with the communications network, each including a user interface responsive to a user; - an updater positioned on the server and responsive to the user interface updating each of the plurality of physicians in the healthcare practice of any changes in the management of medical costs other than those attributed directly to a medical procedure performed directly by each of the plurality of physicians to thereby define ancillary medical costs and that are preferred by the insurance network; and - recommending means positioned on the server and responsive to the user interface for recommending to each of the plurality of physicians alternative medical procedures other than those performed directly by each of the plurality of physicians to thereby define ancillary medical procedures and that are preferred by the insurance network.	Exhibit 3 This exhibit shows the server and network computers used to in the management optimization system. The server was used to download and collate the type of raw data shown in Exhibit 4. The server and network computers had the necessary software installed to analyze the data and generate the communication materials for the network physicians. Exhibit 4 This is an excerpt of the "first page" of the first database comprising procedures for all physicians in an insurance network for December 1998. This is the data received monthly from the network used to update the procedures employed by the network physicians. The procedures are shown on Page 3 in the column labeled "SERV DSCRP" and on Page 9 in the column labeled "ICD9".	Exhibit 3 - December 30, 1998 Exhibit 4 – December, 1998
47	The healthcare management optimization system as defined in claim 46, wherein the at least one database comprises a first and second database, the first database including ancillary medical procedures that are more preferred by the insurance network and wherein the second database includes ancillary medical costs of each of the plurality of physicians participating in the insurance network.	Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician.	January 23, 1999
48	The healthcare management optimization system further comprising an analyzer positioned on the server and in communication with the first and second databases for analyzing the data in the first and second databases and comparing ancillary medical procedures that are preferred by the insurance network with the ancillary medical costs of the plurality of physicians participating in the insurance network to thereby identify the ancillary medical costs of the physicians that are not preferred by the insurance network.	Exhibit 1 This report indicates the data from the databases comparing the cost per procedure for the preferred procedure (column labeled "Pref Prod $/Rx") to the procedure that is not preferred (column labeled "$/Rx"). When the field in the "Pref Prod $/Rx" column is blank, this indicates that the procedure preferred by the network is already being used by the physician.	January 23, 1999
49	The healthcare management optimization system further comprising managing means positioned on the server and responsive to the analyzer for managing the ancillary medical costs of the healthcare practice identified as not being preferred by the insurance network to thereby modify the ancillary medical costs of the physicians in the healthcare practice to be more profitable to the insurance network.	Exhibit 1 This report indicates the data from the databases showing when procedures that are more preferred by the network (column labeled "Preferred Product") are used, savings can be realized (column labeled "Pref Prod Savings"). When the field in the "Pref Prod Savings" column is blank, this indicates that the procedure preferred by the network is already being used by the physician.	January 23, 1999

Claim No.	Claim Description	Evidence	Date
50	The healthcare management optimization system as defined in Claim 49, wherein the managing means includes an identifier for identifying at least one of the plurality of physicians in the healthcare practice participating in the insurance network that is at a greater risk of not receiving a predetermined reimbursement amount for the ancillary medical costs from the insurance network by engaging in ancillary medical procedures that are detrimental to receiving the predetermined reimbursement amount for the ancillary medical costs.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 5 – November 1998 Exhibit 11 – April 1999
51	The healthcare management optimization system as defined in Claim 50, wherein the analyzer further includes calculating means for calculating an average ancillary medical cost per physician for the healthcare practice and identifying the at least one physician that has ancillary medical costs that are a predetermined percentage greater than the average ancillary medical costs per physician for the healthcare practice.	Exhibit 5 This is a Management Report that indicates the current prescribing costs of each physician from the database in Exhibit 4. It is also used to compare physicians' costs to their peers and identify which physicians may not receive maximum reimbursement in an insurance network. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 5 – November 1998 Exhibit 11 – April 1999
52	The healthcare management optimization system as defined in Claim 51, further comprising an educator responsive to the analyzer for educating the at least one physician on benefits of alternative ancillary medical procedures using research literature for comparing the alternative ancillary medical procedures to current ancillary medical procedures and further includes continued medical education classes to educate each of the plurality of physicians in the healthcare practice on the benefits of the alternative ancillary medical procedures.	Exhibit 1 This report indicates the data from the databases showing when procedures that are more preferred by the network (column labeled "Preferred Product") are used, savings can be realized (column labeled "Pref Prod Savings"). When the field in the "Pref Prod Savings" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Exhibit 7 Primary resource used by P3 to prepare prescribing guidelines. Pages 6 and 7 verify that this reference is, in fact, peer reviewed. Exhibit 8 Presentation slides of a Continuing Ed. Program dealing with patients and changes in their medications. Slide 2 indicates this was a CE program sanctioned by the State of Florida Board of Pharmacy. Page 3 indicates Charles "Tim" Lewis a presenter. Exhibit 14 Letter to sponsor of conversion program to more cost effective cholesterol-lowering drugs. Letter refers to a physician CE meeting and patient interventions. Exhibit 16 E-mail from a representative of the drug company sponsoring a drug conversion program. E-mail indicates the strategies to be employed in the program, including in-service education to doctors and ancillary staff. Also references two P3 clients, Telesis and Deaconess.	Exhibit 1 - January 23, 1999 Exhibit 7 - 1997 Exhibit 8 – April 30, 1995 Exhibit 14 – January 14, 1999 Exhibit 16 – February 18, 1999

Claim No.	Claim Description	Evidence	Date
53	The healthcare management optimization system as defined in Claim 52, further comprises custom medical procedure forms provided to each of the plurality of physicians in the healthcare practice participating in the insurance network that include the ancillary medical procedures that are preferred by the insurance network to thereby define custom ancillary medical procedure forms.	Exhibit 2 This exhibit is the "Rx P.A.D.". This is a pocket reference distributed to physicians in the network to apprise them of what procedures are preferred, acceptable, or discouraged by the network. This reference combined the formularies from the area insurance networks to increase prescriber use. This exhibit, along with Exhibit 1, is used by the analyzer to notify physicians what procedures are not preferred, and to manage the costs and improve the profitability of the network. Note that this reference was updated on 1/14/99. Exhibit 13 Custom Rx tool for physicians to give to patients on physician group letterhead advising of OTC products.	Exhibit 2 – January 14, 1999 Exhibit 13 – March 1997
54	The healthcare management optimization system as defined in Claim 53, wherein the managing means further comprises patient intervening means for identifying at least one patient whose present ancillary medical procedures are not preferred by the insurance network and amending the at least one patient's present ancillary medical procedures.	Exhibit 6 P3/Telesis contract demonstrating services, methodology and revenue structure dated 10/30/1998. Copy faxed from S. Wilson to T. Lewis on 5/27/99 for Lewis' records. Exhibit A shows the use of academic detailing face to face with outlier physicians. Exhibit 1 This report indicates the data from the databases showing procedures that are more preferred by the network (column labeled "Preferred Product"), and the costs incurred by the physician (column labeled "Total Cost"). When the field in the "Preferred Product" column is blank, this indicates that the procedure preferred by the network is already being used by the physician. Patients can't be named due to HIPAA, so the drugs were used instead for physician education. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 10 Copy of chart insert developed and used by T. Lewis. Presented at PruCare Clinical Management Committee Meeting. Exhibit 11 Network, Practice, and Prescriber notifications of high cost patients.	Exhibit 6 – October 30, 1998 Exhibit 1 - January 23, 1999 Exhibit 10 – March, 20 1997 Exhibit 11 – April 1999

Claim No.	Claim Description	Evidence	Date
55	The healthcare management optimization system as defined in Claim 54, wherein the management means further comprises generating means for generating first and second letters, the first letter informing a medical facility other than that attributed directly to each of the plurality of physicians to thereby define an ancillary medical facility that the at least one patient's ancillary medical procedures are amended to new ancillary medical procedure and the second letter informing the at least one patient that the patient's present ancillary medical procedures are amended to the new ancillary medical procedures, wherein the first and second letters are reviewed for accuracy, signed by the physician, and transmitted to the respective ancillary medical facility and the at least one patient.	Patients and their conditions can't be named due to HIPAA. Changes to specific patient's drug therapy were only recorded in the patient's chart, again subject to HIPAA. Exhibit 9 Letter to Prudential HealthCare patients explaining pharmacy services. Intent of letter was to promote compliance. Letter composed by T. Lewis. Exhibit 18 Form letter on practice letterhead from doctor to pharmacy advising to convert drugs. March, 1999.	Exhibit 9 - 1997 Exhibit 18 – March 10, 1999
56	The healthcare management optimization system as defined in Claim 55, wherein the ancillary medical costs include any costs taken from the group of pharmacy, anesthesiology, blood, blood storage procedure and administration, radiology, electroencephalogram, electrocardiogram, emergency room, intravenous therapy, organ and tissue acquisition, labor and delivery, medical/surgical supplies, nuclear medicine, occupational therapy, operating room, physical therapy, recovery room, renal dialysis, respiratory therapy, special care, speech therapy, or therapeutic radiology.	A database listing procedures other than those preferred by physicians in a network means any procedure not indicated in the database. The same holds true for costs referred to in the second database. For both databases, commercially available datasets are used, i.e., http://www.firstdatabank.com/knowledge_bases/nddf_plus/.	

[redacted] **Physician Report Cards** **August - November 1998 Data**

Drug Cost Ranking (for drugs with Total Cost > $100)

Physician Name	*Drug Name*	*Total Cost*	*# of Rxs*	*$/Rx*	*Preferred Product*	*Pref Prod $/Rx*	*Pref Prod Savings*
[redacted]							
	ZOCOR	$2,125	26	$82	Lescol	$15	$1,735
	PRILOSEC	$805	10	$81	cimetidine or OTC products	$0	$805
	ZESTRIL	$793	28	$28	Lotensin	$9	$541
	LIPITOR	$489	5	$98	Lescol	$15	$414
	PLENDIL	$397	15	$26	beta blockers, diuretics or Sular	$5	$322
	BIAXIN	$374	5	$75	amoxicillin, erythromycin, SMX/TMP	$3	$359
	GLUCOPHAGE	$360	9	$40	glipizide or glyburide	$4	$324
	REZULIN	$345	1	$345	glipizide or glyburide	$4	$341
	CIPRO	$326	5	$65	amoxicillin, erythromycin, SMX/TMP	$3	$311
	LESCOL	$318	7	$45	Preferred Drug Choice!		
	ZITHROMAX	$317	8	$40	amoxicillin, erythromycin, SMX/TMP	$3	$293
	PROZAC	$302	3	$101	trazodone	$5	$287
	HYTRIN	$282	6	$47			
	CARDIZEM CD	$248	4	$62	beta blockers, diuretics or Sular	$5	$228

*** Note: If "Savings" amount are negative, it is due to either low actual Rx volume; Rxs < 30 day supply, or high copay as compared to the standard 30 day supply cost of the "Preferred Product" at average copay levels.*

REDACTED

[redacted] **Physician Report Cards** **August - November 1998 Data**

Drug Cost Ranking (for drugs with Total Cost > $100)

Physician Name	*Drug Name*	*Total Cost*	*# of Rxs*	*$/Rx*	*Preferred Product*	*Pref Prod $/Rx*	*Pref Prod Savings*
	RANITIDINE HCL	$238	8	$30	OTCs or cimetidine	$0	$238
	VANCENASE AQ	$216	6	$36	Rhinocort	$18	$108
	IMITREX	$210	2	$105	OTCs or ibuprofen	$0	$210
	ZOLOFT	$206	4	$52	trazodone	$5	$186
	CLARITIN	$203	4	$51	OTCs or Rhinocort	$0	$203
	AUGMENTIN	$198	5	$40	amoxicillin, erythromycin, SMX/TMP	$3	$183
	DAYPRO	$198	5	$40	ibuprofen, ketoprofen, or naproxen	$3	$183
	HUMULIN N	$196	3	$65			
	ALLEGRA	$192	6	$32	OTCs or Rhinocort	$0	$192
	PREMARIN	$183	22	$8	estradiol	$4	$101
	DICLOFENAC SO	$180	8	$22			
	NORVASC	$178	4	$45	beta blockers, diuretics or Sular	$5	$158
	K-DUR	$153	10	$15			
	CLARITIN-D 12 H	$148	5	$30	OTCs or Rhinocort	$0	$148
	ZESTORETIC	$144	8	$18	Lotensin HCT	$9	$72
	CLARITIN-D 24 H	$143	3	$48	OTCs or Rhinocort	$0	$143

*** Note: If "Savings" amount are negative, it is due to either low actual Rx volume; Rxs < 30 day supply, or high copay as compared to the standard 30 day supply cost of the "Preferred Product"at average copay levels.*

REDACTED

[redacted] Physician Report Cards August - November 1998 Data

Drug Cost Ranking (for drugs with Total Cost > $100)

Physician Name	*Drug Name*	*Total Cost*	*# of Rxs*	*$/Rx*	*Preferred Product*	*Pref Prod $/Rx*	*Pref Prod Savings*
	CYTOTEC	$137	2	$68			
	ADALAT CC	$136	3	$45	beta blockers, diuretics or Sular	$5	$121
	ALDACTONE	$123	2	$62			
	FOSAMAX	$120	1	$120			
	ESTRATAB	$103	9	$11			
	FLONASE	$103	3	$34	Rhinocort	$18	$49
	Sum	$11,190					$8,257

*** Note: If "Savings" amount are negative, it is due to either low actual Rx volume; Rxs < 30 day supply, or high copay as compared to the standard 30 day supply cost of the "Preferred Product"at average copay levels.*

REDACTED

PAD

[redacted]

	Depression	Lipid Management	Allergic Rhinitis	GI Therapy	Antibiotic Therapy
Preferred Agents	Sinequan Pamelor Desyrel	Lescol	OTC Agents Polaramine Naldecon Nasaleron	Life Style Modifications OTC H2's Gaviscon dicyclomine metoclopramide	Amoxicillin erythromycin SMX/TMP doxycycline metronidazole nitrofurantoin
Acceptable Agents	Zoloft 1/2 tab 100mg Serzone	Lescol w/Questran Lescol w/Niaspan Lescol w/Lopid	Vancenase AQ Rhinocort	cimetidine ranitidine	cephalexin Zithromax Ceclor cefaclor Lorabid Vantin Suprax
Discouraged Agents	Prozac Zoloft Paxil	Zocor	Claritin Flonase Allegra	Prilosec	Cipro Biaxin Keflin Cefzil Augmentin

Revised 1/14/99

[redacted]

REDACTED

Rx pad small pub

R. PAD [redacted]

	NSAID Therapy	Hypertension	Hormone Replacement Therapy	Oral Contraceptive Therapy
Preferred Agents	OTC NSAIDs	Diuretics Beta-blockers	Estrace (estradiol) Provera (medroxyprogesterone)	Ortho-Novum 1/35, 1/50, 10/11 (generic) Nordette (generic) Demulen 1/35, 1/50 (generic)
Acceptable Agents	Motrin (ibuprofen) Naifon (fenoprofen) Disalcid (salsalate) Feldene (piroxicam) Ansaid (flurbiprofen) Orudis (ketoprofen)	Lotensin Lotensin HCT Sular verapamil SR Dilacor XR	Estratab estropipate Premarin	Alesse Tri-Norinyl Ortho-Cept Ortho-Cyclen Loestrin FE Ortho Tri-Cyclen Ortho-Novum 7/7/7
Discouraged Agents	Daypro Any branded NSAID where a generic is available	Norvasc Zestril Adalat CC Capoten Cardizem CD	Prempro Estraderm Vivelle	Ovcon Lo/Ovral Micronor Modicon Triphasil

Revised 1/14/99 [redacted]

REDACTED

Jun. 21 1999 02:18PM P1

[redacted]

PURCHASE RECEIPT

Ship Date	Invoice #	Client PO	Client ID	Sales Representative
12/31/98	[redacted]		[redacted]	

Payment Terms	Ship Via	Gateway Order #	Order Date
SEE BELOW	UPS Second Day	[redacted]	12/30/98

SOLD TO

[redacted]

SHIP TO

[redacted]

RECEIPT OF PURCHASE

Quantity	Item # / Description	System Serial #	Unit Price	Amount
1	1002016 Solo 3100LS Serial Numbers for item 1002016	Shipped 0012369621	2779.00	2779.00
1	SWRKIT168ACUS Office 97 Small Business Edition with Bookshelf 98	Shipped	.00	.00
1	1505348 Leather Portfolio Carrying Case	Shipped	20.00	20.00
1	1507090 Air/Auto Adaptor	Shipped	99.00	99.00
1	FFAH01 FREIGHT AND HANDLING	Shipped	25.00	25.00
				204.61

Sales Tax

These commodities are licensed by the United States.
Diversion contrary to U.S. law is Prohibited.

Payment Terms American Express

Purchase Sub-Total	Sales Tax	Freight & Handling	TOTAL	
2898.00	204.61	25.00		3127.61
	Tax Rt 7.000			

Page # 1

This is not a bill. This is a receipt for your records only. We appreciate your business.

PURCHASE RECEIPT

Client ID	Ship Date	Invoice #	Total
[redacted]	12/31/98	[redacted]	[redacted]

REDACTED

[redacted]

Jun. 21 1999 02:18PM P2

PURCHASE

[redacted]

Ship Date	Invoice #	Client PO	Client I.D.	Sales Representative
12/31/98	[redacted]		[redacted]	[redacted]

Payment Terms	Ship Via	Gateway Order #	Order Date
SEE BELOW	UPS Second Day	[redacted]	12/30/98

SOLD TO

[redacted]

SHIP TO

[redacted]

RECEIPT OF PURCHASE

Quantity	Item # / Description	System Serial #	Unit Price	Amount
1	1002016 Solo 3100LS Serial Numbers for item 1002016	Shipped	2779.00	2779.00
		0012369624		
1	SWRKIT168ACUS Office 97 Small Business Edition with Bookshelf 98	Shipped	.00	.00
1	1505348 Leather Portfolio Carrying Case	Shipped	20.00	20.00
1	1507090 Air/Auto Adaptor	Shipped	99.00	99.00
1	FFAH01 FREIGHT AND HANDLING	Shipped	25.00	25.00
				175.38

Sales Tax

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Diversion contrary to U.S. law is Prohibited.

Payment Terms American Express

Purchase Sub-Total	Sales Tax	Freight & Handling	TOTAL	
2898.00	175.38	25.00		3098.38
Tax Rt	6.000			

Page # 1

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PURCHASE RECEIPT

Client ID	Ship Date	Invoice #	Total	
[redacted]	12/31/98	[redacted]		3098.38

REDACTED

[redacted]

PURCHASE RECEIPT

Ship Date	Invoice #	Client PO	Client ID	Sales Representative
01/07/99	[redacted]		[redacted]	[redacted]

Payment Terms	Ship Via	Gateway Order #	Order Date
SEE BELOW	UPS Second Day	[redacted]	12/30/98

SOLD TO [redacted]

SHIP TO [redacted]

RECEIPT OF PURCHASE

Quantity	Item # / Description	System Serial #	Unit Price	Amount
1	1001915 GP6-450 PC	Shipped	2086.00	2086.00
	Serial Numbers for item 1001915	0012443447		
1	SWRKIT168ACUS Office 97 Small Business Edition with Bookshelf 98	Shipped	.00	.00
1	7001302 VX900 Monitor with 18.0" Viewable Area	Shipped	490.00	490.00
1	FFAH01 FREIGHT AND HANDLING	Shipped	95.00	95.00
Sales Tax				186.97

These commodities are licensed by the United States.
Diversion contrary to U.S. law is Prohibited.

Payment Terms American Express

Purchase Sub-Total	Sales Tax	Freight & Handling	TOTAL
2576.00	186.97	95.00	2857.97
Tax Rt	7.000		

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PURCHASE RECEIPT

Client ID	Ship Date	Invoice #	Total
[redacted]	01/07/99	[redacted]	2857.97

REDACTED

CLM INC MO	CENTER	REP LDG	CONTR KEY	PROD TP	PROD NM	CENTER NM	REP PE DT	FUND PER BEG DT
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
10/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
10/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
08/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
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11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
12/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801
11/98	SUPERCENTER	88709	000016576	COMM	PCP314		990101	199801

FUND PER END DT	FUND NM	MEMB LOB	CLM IND	CLM #	RFRL #	CLM INC DT	SERV PROV #	SERV PROV NM
199812	INST	HHP		831492661	100198	19981101	000009685Q	[redacted]
199812	INST	HHP		828991828		19981008	610703799	[redacted]
199812	INST	HHP		830991837		19981006	000009685Q	[redacted]
199812	PHAR	HHP	+	882900765		19980816	860217882	[redacted]
199812	PHAR	HHP		226120		19981217	860217882	[redacted]
199812	PHAR	HHP		894445238		19981209	860217882	[redacted]
199812	PHAR	HHP		894445239		19981209	860217882	[redacted]
199812	PHAR	HHP		894580345		19981210	860217882	[redacted]
199812	PHAR	HHP		894645085		19981211	860217882	[redacted]
199812	PHAR	HHP		226422		19981217	860217882	[redacted]
199812	PHAR	HHP		892856802		19981123	860217882	[redacted]
199812	PHAR	HHP		892445046		19981119	860217882	[redacted]
199812	PHAR	HHP		892445047		19981119	860217882	[redacted]
199812	PHAR	HHP		893777044		19981130	860217882	[redacted]
199812	PHAR	HHP		893777045		19981130	860217882	[redacted]
199812	PHAR	HHP		893777046		19981130	860217882	[redacted]
199812	PHAR	HHP		894645440		19981211	860217882	[redacted]
199812	PHAR	HHP		894645441		19981211	860217882	[redacted]
199812	PHAR	HHP		226684		19981217	860217882	[redacted]
199812	PHAR	HHP		226685		19981217	860217882	[redacted]
199812	PHAR	HHP		226683		19981217	860217882	[redacted]
199812	PHAR	HHP		892544531		19981120	860217882	[redacted]
199812	PHAR	HHP		71239		19981214	860217882	[redacted]
199812	PHAR	HHP		71240		19981214	860217882	[redacted]
199812	PHAR	HHP		893045658		19981125	860217882	[redacted]
199812	PHAR	HHP		893778181		19981130	860217882	[redacted]
199812	PHAR	HHP		187204		19981216	860217882	[redacted]
199812	PHAR	HHP		187205		19981216	860217882	[redacted]
199812	RFRL	HHP		831465788	101698	19981109	611190605	[redacted]
199812	RFRL	HHP		831465788	101698	19981109	611190605	[redacted]
199812	RFRL	HHP		831061698	I24054	19981103	840611484S	[redacted]
199812	RFRL	HHP		831061698	I24054	19981103	840611484S	[redacted]
199812	RFRL	HHP		831061698	I24054	19981103	840611484S	[redacted]

REDACTED

SERV/CD	CPT4	SERV/CD/TP	SERV/DSCRP	PLC/OF/TRTMNT	PRX/NDC#'S	#/OF/UNITS	DISC/WITH/IND
450		R	EMER ROOM GENERAL	R		99	9
170		R	NURSERY GENERAL	1		99	9
450		R	EMER ROOM GENERAL	R		0	1
PRX		S	ERYTHROMYCIN	0	00168007038	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	ERYTHROMYCIN ESTOLATE	0	00472097916	0	1
PRX		S	ACETAMINOPHEN W/CODEINE	0	00472141916	0	1
PRX		S	HYDROCODONE W/ACETAMINOPH	0	60258072016	0	1
PRX		S	ACETAMINOPHEN W/CODEINE	0	00472141916	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	DEMULEN 1/35-28	0	00025016109	0	1
PRX		S	AMOXICILLIN	0	49884056905	0	1
PRX		S	GUAIFENESIN/PHENYLPROP	0	51285029504	0	1
PRX		S	NEOMYCIN/POLYMYXIN/HC	0	00364737454	0	1
PRX		S	AMOXIL	0	00029604720	0	1
PRX		S	GUAIFENEX PPA 75	0	58177020404	0	1
PRX		S	GUAIFENEX PPA 75	0	58177020404	0	1
PRX		S	ZITHROMAX	0	00069306075	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	ORTHO-CYCLEN	0	00062190115	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	TRIOTANN	0	51285071757	0	1
PRX		S	CLARITIN-D 12 HOUR	0	00085063501	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
93224	X	C	24HR/ELECTROCARDIOGRAPHIC	3		0	1
93732	C	C	REPROGRAM PACEMAKER SYSTE	3		0	1
81001	L	C	URINALYSIS, AUTO, W/SCOPE	A		0	1
82465	L	C	CHOLESTEROL, SERUM; TOTAL	A		0	1
85025	L	C	AUTOMATED HEMOGRAM	A		0	1

DISC/WITH AMT	FUND WITH/EXP AMT	PROV SPEC CD	PROV TP	CS CD	PART PROV CD	CLM INC THRU	CUST & GRP #	ICD9
0	69.66	0	HS	ACC	P	19981101	47399-001	84210
0	0	0	HS	WB	P	19981010	46371-001	V3000
0	0	0	HS	ACC	P	19981006	B6561-004	9100
0	0.74	52	SS	ILL	R	19980816	G2080-001	7998
0	5.6	52	SS	ILL	R	19981217	40659-001	7998
0	15.09	52	SS	ILL	R	19981209	40659-001	7998
0	5.1	52	SS	ILL	R	19981209	40659-001	7998
0	23.29	52	SS	ILL	R	19981210	40659-001	7998
0	5.1	52	SS	ILL	R	19981211	40659-001	7998
0	5.83	52	SS	ILL	R	19981217	B5414-001	7998
0	19.99	52	SS	ILL	R	19981123	B5414-001	7998
0	1.15	52	SS	ILL	R	19981119	46364-008	7998
0	0	52	SS	ILL	R	19981119	46364-008	7998
0	7.83	52	SS	ILL	R	19981130	46364-008	7998
0	13.44	52	SS	ILL	R	19981130	46364-008	7998
0	5.71	52	SS	ILL	R	19981130	46364-008	7998
0	9.88	52	SS	ILL	R	19981211	46364-008	7998
0	29.16	52	SS	ILL	R	19981211	46364-008	7998
0	6.32	52	SS	ILL	R	19981217	B6561-004	7998
0	2.1	52	SS	ILL	R	19981217	B6561-004	7998
0	8.29	52	SS	ILL	R	19981217	B6561-004	7998
0	19.31	52	SS	ILL	R	19981120	B5018-005	7998
0	37.08	52	SS	ILL	R	19981214	D7678-021	7998
0	5.79	52	SS	ILL	R	19981214	D7678-021	7998
0	0	52	SS	ILL	R	19981125	D7678-021	7998
0	61.17	52	SS	ILL	R	19981130	40659-001	7998
0	44.41	52	SS	ILL	R	19981216	B5018-005	7998
0	3.52	52	SS	ILL	R	19981216	B5018-005	7998
0	142	48	MD	ILL	B	19981109	B5414-001	78609
0	45	48	MD	ILL	B	19981109	B5414-001	78609
0	2.84	15	IL	RC	F	19981103	D6216-001	V705
0	3.2	15	IL	RC	F	19981103	D6216-001	V705
0	6	15	IL	RC	F	19981103	D6216-001	V705

PROV DEA	GEN IND	REFILL	SCRIPT QTY
			0
			0
			0
AC2551720	G	0	4
			0
AR2134346	G	0	200
AR2134346	G	0	240
AR2134346	G	0	300
AR2134346	G	0	240
			0
AP1241594	N	0	28
AR2242232	G	0	30
AR2242232	G	0	20
BH1529051	G	0	10
BH1529051	N	0	20
BH1529051	G	0	20
BH1529051	G	0	30
BH1529051	N	0	6
			0
			0
			0
BS5321992	N	0	28
			0
			0
AD2551960	G	0	120
AK2552998	N	0	60
			0
			0
			0
			0
			0
			0
			0

FUND PER END DT	FUND NM	MEMB LOB	CLM IND	CLM #	RFRL #	CLM INC DT	SERV PROV #	SERV PROV NM
199812	RFRL	HHP		831061700	I24054	19981103	840611484S	[redacted]
199812	RFRL	HHP		831061700	I24054	19981103	840611484S	[redacted]
199812	RFRL	HHP		831061700	I24054	19981103	840611484S	[redacted]
199812	RFRL	HHP		831562462		19981107	840611484S	[redacted]
199812	RFRL	HHP		826427673	191898	19980918	611247459	[redacted]
199812	RFRL	HHP		833860018	I24054	19981125	840611484S	[redacted]
199812	RFRL	HHP		833860017	I24054	19981125	840611484S	[redacted]
199812	PHAR	HHP		893807523		19981203	860217882	[redacted]
199812	PHAR	HHP		894212839		19981207	860217882	[redacted]
199812	PHAR	HHP		892425661		19981119	860217882	[redacted]
199812	PHAR	HHP		19576		19981213	860217882	[redacted]
199812	PHAR	HHP		892932526		19981124	860217882	[redacted]
199812	PHAR	HHP		892932527		19981124	860217882	[redacted]
199812	PHAR	HHP		893029400		19981125	860217882	[redacted]
199812	PHAR	HHP		893029401		19981125	860217882	[redacted]
199812	PHAR	HHP		218197		19981217	860217882	[redacted]
199812	PHAR	HHP		218198		19981217	860217882	[redacted]
199812	PHAR	HHP		892847328		19981123	860217882	[redacted]
199812	PHAR	HHP		892847329		19981123	860217882	[redacted]
199812	PHAR	HHP		892942658		19981124	860217882	[redacted]
199812	PHAR	HHP		894021197		19981205	860217882	[redacted]
199812	PHAR	HHP		892536758		19981120	860217882	[redacted]
199812	PHAR	HHP		892536759		19981120	860217882	[redacted]
199812	PHAR	HHP		893750300		19981130	860217882	[redacted]
199812	PHAR	HHP		892848460		19981123	860217882	[redacted]
199812	PHAR	HHP		62704		19981214	860217882	[redacted]
199812	PHAR	HHP		892848546		19981123	860217882	[redacted]
199812	PHAR	HHP		893753734		19981201	860217882	[redacted]
199812	PHAR	HHP		892620401		19981121	860217882	[redacted]
199812	PHAR	HHP		180092		19981216	860217882	[redacted]
199812	PHAR	HHP		894440310		19981209	860217882	[redacted]
199812	PHAR	HHP		892850107		19981123	860217882	[redacted]
199812	PHAR	HHP		894575820		19981210	860217882	[redacted]

REDACTED

SERV CD	CPT4	SERV CD TP	SERV DSCRP	PLC OF TRTMNT	PRX NDC #	# OF UNITS	DISC/WITH IND
80061	L	C	LIPID PANEL	A		0	1
81001	L	C	URINALYSIS, AUTO, W/SCOPE	A		0	1
85025	L	C	AUTOMATED HEMOGRAM	A		0	1
80054	L	C	COMPREHEN METABOLIC PANEL	A		0	1
99050	C	C	SERV. AFTER OFFICE HOURS	3		0	1
87081	L	C	CULTURE, BACTERIAL, SCREE	A		0	1
87081	L	C	CULTURE, BACTERIAL, SCREE	A		0	1
PRX		S	HYDROCODONE W/ACETAMINOPH	0	52544034901	0	1
PRX		S	HYDROCODONE W/ACETAMINOPH	0	52544034901	0	1
PRX		S	ADDERALL	0	58521003201	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	ADDERALL	0	58521003301	0	1
PRX		S	ADDERALL	0	58521003301	0	1
PRX		S	CARDEC-DM	0	00603106158	0	1
PRX		S	SULFAMETHOXAZOLE/TRIMETHO	0	00093056216	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	HYDROXYZINE HCL	0	60432015016	0	1
PRX		S	TRIAMCINOLONE ACETONIDE	0	00472030180	0	1
PRX		S	TRIAMCINOLONE ACETONIDE	0	00472030180	0	1
PRX		S	TRIMOX 250	0	00003173845	0	1
PRX		S	PREDNISONE	0	00536432601	0	1
PRX		S	ALBUTEROL	0	59930156001	0	1
PRX		S	CEPHALEXIN	0	55953011470	0	1
PRX		S	CLARITIN-D 12 HOUR	0	00085063501	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	ALBUTEROL	0	00172439018	0	1
PRX		S	ERYTHROMYCIN ETHYLSUCCINA	0	00074374816	0	1
PRX		S	AMOXIL	0	00029600922	0	1
PRX		S	PRX DATA UNAVAILABLE	0		0	1
PRX		S	NAPROXEN	0	00378055505	0	1
PRX		S	DEPAKOTE	0	00074621213	0	1
PRX		S	IMIPRAMINE HCL	0	00603404321	0	1

DISC/WITH AMT	FUND WITH/EXP AMT	PROV SPEC CD	PROV TP	CS CD	PART PROV CD	CLM INC THRU	CUST & GRP #	ICD9
0	17.2	15	IL	RC	F	19981103	D6216-001	V705
0	2.84	15	IL	RC	F	19981103	D6216-001	V705
0	6	15	IL	RC	F	19981103	D6216-001	V705
0	6.03	15	IL	RC	F	19981107	D6216-001	V705
0	50	16	MD	ILL	D	19980918	46364-012	38200
0	4.4	15	IL	ILL	F	19981125	D6216-001	462
0	4.4	15	IL	ILL	F	19981125	D6216-001	462
0	0	52	SS	ILL	R	19981203	B5414-001	7998
0	0	52	SS	ILL	R	19981207	B5414-001	7998
0	42.13	52	SS	ILL	R	19981119	40659-001	7998
0	36.5	52	SS	ILL	R	19981213	40659-001	7998
0	31.75	52	SS	ILL	R	19981124	B5018-005	7998
0	43.5	52	SS	ILL	R	19981124	B5018-005	7998
0	0	52	SS	ILL	R	19981125	A9809-001	7998
0	1.08	52	SS	ILL	R	19981125	A9809-001	7998
0	3.87	52	SS	ILL	R	19981217	B5018-005	7998
0	6.28	52	SS	ILL	R	19981217	B5018-005	7998
0	0.61	52	SS	ILL	R	19981123	71218-001	7998
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0	0	52	SS	ILL	R	19981124	71218-001	7998
0	0	52	SS	ILL	R	19981205	71218-001	7998
0	0	52	SS	ILL	R	19981120	46364-026	7998
0	3.52	52	SS	ILL	R	19981120	46364-026	7998
0	2.48	52	SS	ILL	R	19981130	46364-026	7998
0	50.94	52	SS	ILL	R	19981123	40659-001	7998
0	0.3	52	SS	ILL	R	19981214	B5414-001	7998
0	4.02	52	SS	ILL	R	19981123	B5414-001	7998
0	2.4	52	SS	ILL	R	19981201	46375-001	7998
0	3.61	52	SS	ILL	R	19981121	40659-001	7998
0	1.11	52	SS	ILL	R	19981216	46371-001	7998
0	2.63	52	SS	ILL	R	19981209	D8908-001	7998
0	15.46	52	SS	ILL	R	19981123	46371-001	7998
0	5.91	52	SS	ILL	R	19981210	46371-001	7998

PROV_DEA	GEN_IND	REFILL	SCRIPT_QTY
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			0
			0
			0
			0
			0
			0
AD8753039	G	0	15
AS5441186	G	0	10
AM9702300	N	0	90
			0
AT8535328	N	0	45
AT8535328	N	0	60
AM9702300	G	0	240
AM9702300	G	0	200
			0
			0
AM9702300	G	0	240
BM0250439	G	0	80
AM9702300	G	0	80
BH0852435	G	0	150
AM9702300	G	0	22
AM9702300	G	0	17
AM9702300	G	0	21
AM9702300	N	0	50
			0
BF5207988	G	0	17
AR2242232	G	0	150
AM9702300	G	0	150
			0
BJ2499160	G	0	30
BS2820896	N	0	60
BS0331544	G	0	60

[redacted] Physician Comparison Chart

Rank by Specialty Aug-Nov98

Specialty	Provider DEA	Total Cost	Rx Volume	Cost Per Rx
Emergency Medicine				
	AR2242232	$3,133	393	$7.97
Family Practice				
	BC3879167	$55,564	2,781	$19.98
	BM0703973	$46,213	2,218	$20.84
	BM1432448	$45,795	2,182	$20.99
	BE4791174	$37,228	1,704	$21.85
	BN3101982	$36,526	1,717	$21.27
	BJ2499160	$32,410	1,500	$21.61
	BT2813536	$30,184	1,800	$16.77
General Practice				
	BM3784356	$60,171	3,619	$16.63
Internal Medicine				
	AW7727552	$50,989	2,483	$20.54
	BW1818876	$47,822	2,699	$17.72
	AA8109743	$38,499	1,898	$20.28
	AR2396047	$37,129	1,776	$20.91
	AB3130969	$13,796	563	$24.50
	BR3671802	$9,561	497	$19.24
Internal Medicine & Pediatrics				
	BF5207988	$2,571	144	$17.86
Pediatrics				
	BA3081875	$9,073	356	$25.49
	AM9702300	$6,573	452	$14.54

REDACTED

Physician Pharmacy Practices, Inc. and Telesis Medical Management of Kentucky, Inc. Agreement

This Agreement between Physician Pharmacy Practices, Inc., a Georgia corporation, and Telesis Medical Management of Kentucky, Inc. ("Telesis") will be effective as of the date of execution by Physician Pharmacy Practices, Inc.

WHEREAS, Physician Pharmacy Practices, Inc. is a corporation that provides healthcare consulting services to medical groups; and,

WHEREAS, Telesis is a medical management company which has contractual relationships with managed care companies and provides medical services to the members of managed care companies.

NOW, THEREFORE, the parties hereto, in consideration of the terms and conditions set forth herein, agree as follows:

1.0 Physician Pharmacy Practices, Inc. Duties

Physician Pharmacy Practices, Inc. will assist Telesis with the management of the pharmacy costs of the prescriptions written by the physicians affiliated with Telesis in Kentucky. Physician Pharmacy Practices, Inc. will use a variety of tools and services to attempt to control the pharmacy cost of Telesis while maintaining high quality patient care; however, Physician Pharmacy Practices, Inc. in no way guarantees any reduction in pharmacy costs and has not guaranteed any targeted pharmacy cost level. The services that Physician Pharmacy Practices, Inc. will provide to Telesis are listed in Exhibit A.

2.0 Telesis Duties

Telesis agrees to provide Physician Pharmacy Practices, Inc. with the pharmacy claims data that it has in its possession and that it can reasonably retrieve from a managed care organization.

The services listed in Exhibit A are based upon the ability of Telesis to supply pharmacy claims data to Physician Pharmacy Practices, Inc. However, if available in the marketplace, Physician Pharmacy Practices, Inc. will attempt to purchase the data from an outside healthcare information vendor that will be billed to Telesis as an out-of-pocket expense after consultation with and approval by Telesis for all data purchases. Without the required pharmacy claim data, Physician Pharmacy Practices, Inc. will be unable to deliver several of the services listed in Exhibit A.

Telesis agrees to notify Physician Pharmacy Practices, Inc. of any changes to or information impacting the Humana/Telesis risk contract as it relates to pharmacy, i.e. copay structure, benefit design, or formulary changes.

3.0 Relationship of Parties

The relationship between Physician Pharmacy Practices, Inc. and Telesis is that of independent contractors. None of the provisions of this Agreement are intended to create or to be construed as creating agency, partnership, joint venture or employee-employer relationships between Physician Pharmacy Practices, Inc and Telesis.

4.0 Fees

The fees charged by Physician Pharmacy Practices, Inc. and the associated fee payment schedule are listed in Exhibit B.

5.0 Confidential Information

Except as provided by law or as provided in this Agreement, each party shall ensure that during the term of this Agreement and thereafter, confidential information will be held in confidence and in accordance to state and federal law. Confidential information shall include all information regarding patient information, finances, and terms of this contract.

6.0 Amendments

This Agreement may not be changed except by written agreement between both parties.

7.0 Exhibits

All Exhibits referred to in this Agreement are incorporated herein and made part of this Agreement.

8.0 Term

The term of this Agreement commences on the Effective Date and, unless earlier terminated under Section 10.0, continues until December 31, 1999.

9.0 Due Diligence

Due to the performance targets that are integrated into the Fee Schedule, Telesis agrees to allow Physician Pharmacy Practices, Inc. the ability to view and obtain copies of financial statements and management reports that show pharmacy costs on both a total dollar amount and a per member per month basis for the Louisville commercial market, the Lexington commercial market, and the Louisville Medicare market at contract acceptance and on a calendar quarter basis

10.0 Termination

Either party may unilaterally terminate this Agreement with or without cause by giving the other party at least sixty (60) days prior written notice. Telesis will pay all fees earned within the 60-day termination-notice period including (1) project fees, (2) Percentage of Savings Achieved Fees on a prorated basis based on the number of elapsed months in the contract, and (3) out of pocket expenses within thirty (30) days following the termination date.

11.0 Indemnification

Telesis indemnifies and holds Physician Pharmacy Practices, Inc., its employees and agents harmless with respect to any and all claims, suits, actions, liabilities, and costs of any kind arising from Physician Pharmacy Practices, Inc. activities, unless it is determined that such claims suits, action, liability or cost was caused by or resulted from the negligence or willful misconduct of Physician Pharmacy Practices, Inc. Physician Pharmacy Practices, Inc. holds Telesis, its employees, affiliates, officers, directors, shareholders, and agents harmless with respect to any and all claims, suits, actions, liabilities and costs of any kind arising from its activities unless it is determined that such claim, suit, action, liability or cost was caused by or resulted from the negligence or willful misconduct of Telesis' employees or agents.

12.0 Severability

In the event that any portion of this Agreement is found to be void or illegal, the validity or enforceability of any other portion shall not be affected.

13.0 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia and other applicable Federal laws and regulations.

14.0 Entire Agreement

This Agreement supersedes any prior agreements, promises, negotiations or representations, either oral or written, relating to the subject matter of this Agreement.

Accepted by Physician Pharmacy Practices, Inc.:

Signature: Lisa S. Head Date: 10/30/98

Printed Name: LISA S HEAD Title: President

Accepted by Telesis Medical Management of Kentucky, Inc.:

Signature: Greg Gilbert Date: 10/27/98

Printed Name: GREG GILBERT, MD Title: President

Exhibit A

Services Provided by Physician Pharmacy Practices, Inc. to Telesis Medical Management of Kentucky, Inc.

Pharmacy Cost Analysis

Physician Pharmacy Practices will conduct an initial review of pharmacy costs and provide an analysis to Telesis. This analysis will be conducted upon receiving pharmacy data from Humana

Create a Telesis Preferred Prescribing Guide

Physician Pharmacy Practices will work with the current Humana formulary to create a Telesis Preferred Prescribing Guide. The Telesis Preferred Prescribing Guide will enable physicians to prescribe the most cost-effective drugs while providing high quality, clinically appropriate medical care. The end result of the new Telesis Preferred Prescribing Guide is the following:

- The physician choice of drugs is simplified
- The most cost effective clinically appropriate drugs are listed on the Guide.
- Improved physician compliance to larger MCO formulary creating less phone calls back from the member and pharmacy
- Member satisfaction and quality initiatives improved.

Physician Profiling

Physician profiling is an integral part of managing pharmacy risk. Physician Pharmacy Practices will create Telesis Physician Profiles that target specific highly utilized therapeutic classes and expensive branded drugs. In addition, Physician Pharmacy Practices has the ability to create individual physician prescribing report cards. Profiling allows Physician Pharmacy Practices to target physician outliers with specific tools that will improve preferred cost-effective prescribing without interfering with patient care. Physician Pharmacy Practices will provide all Telesis physicians with monthly physician summary reports. These reports will assist physicians in targeting cost drivers for each selected class of drugs. The monthly profiling will be based on data provided by Telesis to Physician Pharmacy Practices. To ensure timeliness of reports, Telesis agrees to provide this data in electronic format. Other tools used to assist with providing further profiling and saving opportunities include the following:

- Academic Detailing: A clinical pharmacist at Physician Pharmacy Practices will analyze drug utilization review data by physician on a monthly basis and make interventions. A discussion directly with the physicians about pharmacotherapy practice patterns will occur if necessary

- Patient Specific Prescribing Tools: These tools will alert physicians who have patients receiving drugs that are not on the Preferred Prescribing Guide and recommend equivalent alternatives

- Drug Utilization Reviews: Physician Pharmacy Practices will review drugs that consistently appear as being costly and over utilized. For example, H2 Antagonist (Zantac, Pepcid, Tagamet, Axid) and Proton Pump Inhibitors (Prevacid, Prilosec) are high cost drugs that are often inappropriately used. Physician Pharmacy Practices will work with Telesis to develop prescribing guidelines. These guidelines will outline appropriate duration of therapy, drug choice for specific diagnosis, drug interactions, and appropriate dosing levels. They may also include recommended over-the-counter therapy when appropriate. Physician Pharmacy Practices will proactively review patient charts to determine to what extent the prescribing practices are being followed. After such,

a drug utilization action plan may be necessary to notify physicians of any problems with their patients and to offer prescribing recommendations based on the new prescribing guidelines outlined by Telesis and Physician Pharmacy Practices

Physician Prescribing Training Seminars

Joint training sessions that involve the physicians directly and allow physicians the opportunity to understand the value of managing the pharmacy cost. Physicians will interact with peers to develop best practices on formulary management, clinical practice guidelines, physician profiling tools and overall management of the pharmacy cost. Physician Pharmacy Practices will hold quarterly training seminars if necessary for Telesis. During the first seminar, Physician Pharmacy Practices will conduct a brainstorming session to determine a list of "quick hit" items that can rapidly impact the financial bottom line. Subsequent sessions will include presentations and training on cost effective prescribing, as well as break out sessions to facilitate ideas on more effectively managing the pharmacy budget

Create Disease Specific Practice Guidelines and Quality Care Programs

Physician Pharmacy Practices with guidance from Telesis will develop Disease Specific Practice Guidelines and Quality Care Programs. Physicians from Telesis play an integral part in the development of these guidelines as they are held accountable for the total cost of patient care, not just the drug cost. Examples of Practice Guidelines and Quality Care Programs include but are not limited to the following.

- Otitis Media
- Hypertension
- Primary and Secondary Prevention of Myocardial Infarction
- Asthma
- GI Management
- OTC Programs
- Antibiotic Resistance Surveillance
- Diabetes

These programs are focused on patient outcomes and can decrease the overall cost of health care (medical and pharmacy) for Telesis. Physician Pharmacy Practices will define which programs will be initiated based on findings from the pharmacy cost report and physician profiling. Physician Pharmacy Practices will make recommendations within two months of contract signing to Telesis as to which disease state management and drug utilization reviews should be initiated with a detailed plan for future programs.

In addition, Physician Pharmacy Practices will provide tools to Telesis physicians that aid them in educating their patients on particular disease states and protocols of treatment.

Manage the Pharmacy Risk Contract with Humana and the "Uncontrollable Events"

Physician Pharmacy Practices, through our Drug Information Protocols, will monitor all newly approved FDA drugs that will impact the pharmacy bottom line. Telesis should advise Physician Pharmacy Practices of any change in copay structure, benefit design, or formulary additions or deletions as this could impact pharmacy cost dramatically.

Detailed Project Timeline

Physician Pharmacy Practices will prepare a detailed project timeline for the next twelve (12) months of activities within one (1) month of contract acceptance or sooner is pharmacy data is supplied for a retrospective analysis of cost and utilization.

Exhibit B

Physician Pharmacy Practices, Inc. Fee Schedule to Telesis Medical Management of Kentucky, Inc.

A. Fees

The fees for this project will include: (1) a **Project Fee**, (2) a **Percentage of Savings Achieved Fee**, and (3) **Out of Pocket Expenses**. These terms are described below.

(1) **Project Fee:** $22,500

Payment Schedule
$5,625 at Contract Acceptance
$5,625 at December 1, 1998
$5,625 at March 1, 1999
$5,625 at June 1, 1999

(2) **Percentage of Savings Achieved Fee:**

A fee will be paid to Physician Pharmacy Practices, Inc. equal to 15% of the Per Member Per Month (PMPM) savings achieved on the pharmacy expenses as compared to a predetermined benchmark for each product (Louisville Commercial, Louisville Medicare, and Lexington Commercial) multiplied by the applicable number of member months. This fee will be calculated and paid on a quarterly basis. The calculation of this fee is described in detail below.

Physician Pharmacy Practices, Inc. does NOT accept any risk for increases in pharmacy cost and is in no way financially liable for increases in pharmacy costs. If the actual pharmacy PMPM costs are higher than the baseline PMPM costs, then no Percentage of Savings Achieved Fee is paid to Physician Pharmacy Practices, Inc.

FEE CALCULATION:

Louisville Commercial:
15% multiplied by Pharmacy PMPM Savings multiplied by Quarterly Member Months.

Louisville Medicare:
15% multiplied by Pharmacy PMPM Savings multiplied by Quarterly Member Months

Lexington Commercial:
15% multiplied by Pharmacy PMPM Savings multiplied by Quarterly Member Months

DEFINITIONS:

Pharmacy PMPM Savings = Baseline Pharmacy PMPM minus Calendar Quarter Actual Pharmacy PMPM.

Baseline Pharmacy PMPM Costs are defined as:

Louisville Commercial = $1[illegible].05 *
Louisville Medicare = $2[illegible].03 *
Lexington Commercial = $1[illegible].25 *

* *Subject to change based on due diligence*

Quarterly Member Months = the summation of members for each of the three months in the calendar quarter (i.e. January Members plus February Members plus March Members equals First Quarter Member Months).

Calendar Quarter Actual PMPM = the actual pharmacy PMPM cost as reported in official Telesis financial statements for the three month calendar quarter period.

PAYMENT SCHEDULE:

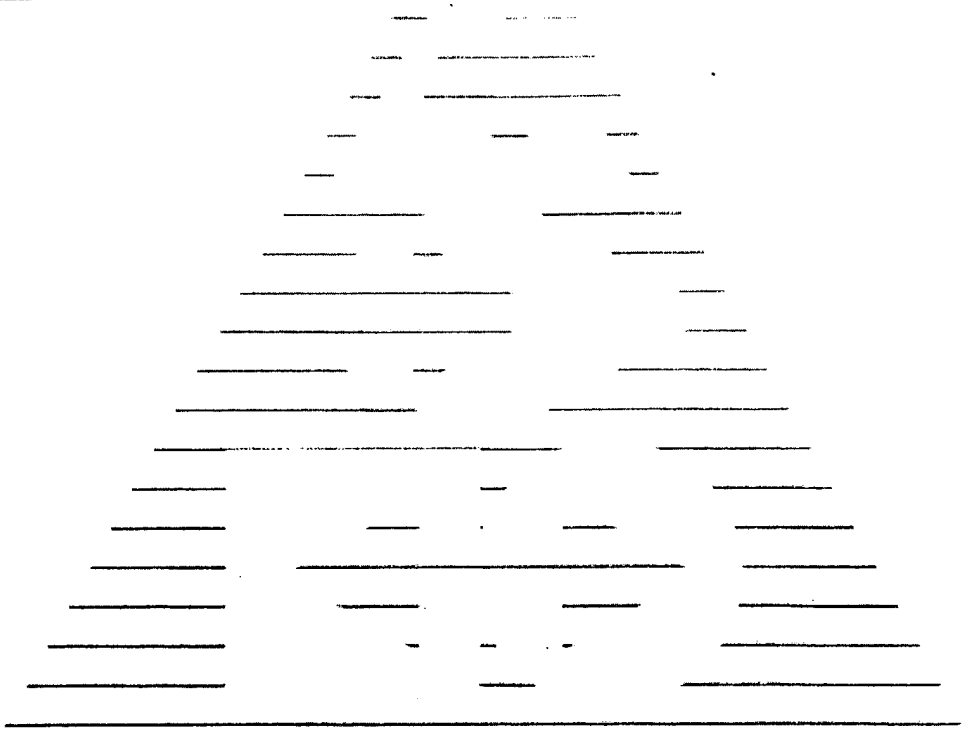
The first full calendar quarter to be used in this fee payment schedule will be fourth quarter 1998. The schedule of payments is as follows:

If PMPM Savings are achieved in:	Payment will be due:
Fourth Quarter 1998	March 31, 1999
First Quarter 1999	June 30, 1999
Second Quarter 1999	September 30, 1999
Third Quarter 1999	December 31, 1999

Note: Physician Pharmacy Practices, Inc. does not accept any risk for any increase in pharmacy costs and is in no way financially liable for increases in pharmacy costs.

(3) Out of Pocket Expenses

All out of pocket expenses including but not limited to travel (and associated costs), printing, postage, and pharmacy dispensing data purchases (prior authorization from Telesis required on data purchases) will be reimbursed to Physician Pharmacy Practices, Inc. The out of pocket expenses will be invoiced monthly by Physician Pharmacy Practices, Inc. to Telesis with payment due by the end of the following month after receiving invoice.



DRUG TREATMENT PROTOCOLS

A Resource for Creating & Using Disease-Specific Pathways

APhA

American Pharmaceutical Association • Washington, DC

Acknowledgments

Hoechst Marion Roussel

APhA gratefully acknowledges Hoechst Marion Roussel for providing a generous, unrestricted educational grant to launch this resource. Hoechst Marion Roussel is further recognized for having the vision to foster the development of a resource to help health professionals ensure that patients realize optimal benefits from therapeutic regimens. APhA appreciates Hoechst Marion Roussel's partnership efforts to advance pharmacists' contributions as members of the health care team.

David M. Angaran, MS, RPh, was instrumental in the conceptualization of this *Guide*. His dedicated service as the project advisor, which helped to guide us through the planning phases of this project during the first year of implementation, is deeply appreciated. APhA thanks you for sharing your experience and wisdom to develop and refine this resource.

APhA would also like to acknowledge the contributions of the individual members of the Product Design Advisory Panel, who critically reviewed the project plan and shared their experiences and perspectives to help shape the outline and format of this resource. Those individuals are Morie Althoff, RN, CCM, from the Individual Case Management Association; Helen Blumen, MD, of Humana Group Health; Terry Jackson, MS, RPh, of Health Care Pharmacy Providers; Thomas J. McGinnis, RPh, of the Food and Drug Administration; and Catherine Spurr, RN, of Park Nicollet Medical Center and the Institute for Clinical Systems Integration.

Our sincere thanks are extended to the many pharmacists who nominated colleagues from pharmacy, medicine, nursing, and other professions to participate in this project. Without your support and enthusiasm for this project, this resource could not have been developed. We also thank Richard Townsend, a University of Maryland pharmacy student, for his research and editorial assistance.

The following organizations provided outstanding health professionals to serve on various panels and as reviewers for the protocols: the Individual Case Management Association (ICMA), American Gastroenterologic Association (AGA), Academy of Nurse Practitioners, American Academy of Physician Assistants, and National Jewish Center for Immunology and Respiratory Medicine.

We also sincerely thank the following organizations and individuals for sharing their clinical guidelines and protocols for use by our authors and panelists in developing protocols for this publication: the Institute for Clinical Systems Integration of St. Paul, Minnesota; and APhA members Ronald Taniguchi, PharmD, of Aiea, Hawaii, and Nancy Smestad, PharmD, of Fargo, North Dakota. We also acknowledge the many national consensus panels and professional organizations that have published national guidelines in the scientific literature.

Finally, APhA would like to thank the staff members at the Office of the Forum of the Agency for Health Care Policy and Research for their efforts to develop comprehensive clinical guidelines and to share their experiences with us. In particular, our sincere thanks go to Kay Pearson, RPh, for her guidance during different phases of developing this resource over the past year.

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An Introduction to Guidelines and Protocols
[Tab 2: Introduction to Guidelines and Protocols (gray)] 2-1
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Mark W. Todd, PharmD, FASHP

How-To-Units

Developing Disease-Specific Drug Treatment Protocols
[Tab 6: Developing Protocols (burgundy)] 6-1
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Translating National Guidelines for Local Use
[Tab 7: Adapting National Protocols (burgundy)] 7-1
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Effective Protocol Implementation Guided by TQM and CQI Principles
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PART TWO:
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Cardiovascular Diseases
Management of Dyslipidemia in Adults DL-i
Management of Essential Hypertension HT-i

Endocrine and Metabolic Disorders
Management of Type I Diabetes Mellitus DM1-i
Management of Type II Diabetes Mellitus DM2-i
Management of Gestational Diabetes Mellitus and Impaired Glucose Tolerance during Pregnancy GDM-i

Gastrointestinal Disorders
Management of Crohn's Disease CD-i
Management of Ulcerative Colitis UC-i
Management of Acute Infectious Diarrhea in Adults AID-i
Medication-Associated Diarrhea in Adults MAD-i
Uncomplicated Gastroesophageal Reflux Disease GRD-i
Management of Nausea and/or Vomiting Secondary to Gastroenteritis in Adults NVG-i
Management of Medication-Associated Nausea and/or Vomiting in Adults MNV-i
Management of Peptic Ulcer Disease PUD-i

Infectious Diseases
Management of Acute Uncomplicated Urinary Tract Infections in Adult Females UTI-i
Management of Acute Bronchitis in Adults AB-i
Treatment of Acute Sinusitis AS-i
Inpatient Treatment of Adults with Community-Acquired Pneumonia ICP-i

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Outpatient Triage and Treatment of Adults with Community-Acquired Pneumonia OCP-i
Treatment of Adults with Nosocomial Pneumonia NP-i

Pediatric Disorders
Management of Pediatric Acute Otitis Media AOM-i
Management of Pediatric Absence Seizures PAS-i
Management of Pediatric Convulsive Status Epilepticus CSE-i

Psychiatric Disorders
Management of Schizophrenia SCZ-i
Bipolar Disorder: Management of Acute Depression in Adults BDD-i
Bipolar Disorder: Management of Acute Mania in Adults BDM-i
Management of Major Depression in Adults MD-i
Management of Obsessive-Compulsive Disorder OCD-i
Management of Panic Disorder in Adults PD-i

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Asthma — Acute Exacerbations at Home AA-i
Asthma — Chronic Management AC-i
Perennial Allergic Rhinitis PAR-i
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APhA Principles of Practice for Pharmaceutical Care Appendix-1
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***Guide* Project Participant Nomination Form** Appendix-15

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Introduction to Using This *Guide*

The American Pharmaceutical Association (APhA) is pleased to present this resource to assist health professionals with their efforts to develop, use, and measure patient outcomes with disease-specific drug treatment protocols. The *APhA Guide to Drug Treatment Protocols* is intended to help health professionals in a wide variety of patient care settings—including hospitals, managed care organizations, ambulatory clinics, and home health care agencies—to make clinically efficient, cost-effective therapeutic decisions. Our goal is to provide you with the most useful and flexible resource possible.

The Participants

More than 200 pharmacists, physicians, nurses, and other health professionals with extensive experience in disease management, outcome measures, and guideline development are involved in researching, developing, and reviewing the instructional units and sample protocols. Their work will be released throughout the 1996 and 1997 subscription years. Each instructional unit was written and peer reviewed by interdisciplinary content experts. The sample protocols were developed by interdisciplinary panels and peer reviewed by clinicians from a broad cross-section of patient care areas. *(See Sample Protocols tab.)*

Definition

For the purposes of this *Guide*, a disease-specific drug treatment protocol is defined as follows:

A disease-based therapeutic algorithm, which begins with a confirmed diagnosis of a particular disease, walks the health care provider through a series of decisions that differentiate patients into alternative pathways. Each pathway leads to the selection of an initial therapy (by drug, drug class, or category) that the provider would anticipate to be optimal—based on preceding decisions. The algorithm continues by outlining milestones for measuring and documenting the patient's short-term and longer-term clinical outcomes. It then provides parameters for follow-up and continuation of drug therapy, along with recommendations for adjustments or changes in the patient's drug regimen.

Disease-specific drug treatment protocols are designed to be useful in making decisions about a majority of patients with a given disease state; however—as is the case with all clinical decision tools—not all patients will fall neatly within the structure of the decision tree.

The Vision

Utilization review criteria, quality assurance measures, and standards of practice have been used successfully in hospitals and HMOs to improve the management of clinical conditions, to reduce the patient care costs associated with drug therapy, and to reduce morbidity resulting from unintended effects. It is our belief that the implementation of clinically sound, disease-specific drug treatment protocols can increase the efficiency of patients' drug therapy and can reduce preventable morbidity and mortality, while reducing costs associated with treating common disease states. APhA believes that pharmacists are uniquely qualified to assist in the management of drug therapy to ensure that intended therapeutic outcomes are achieved. Furthermore, as health professionals with extensive education and training in pharmacology and therapeutics, pharmacists play a key role in the collaborative development of disease-specific drug treatment protocols, clinical guidelines, and other pathways.

Why Develop Drug Treatment Protocols?

During the planning phase of this publication, early research revealed that while many comprehensive clinical guidelines exist, drug therapy is only one of the many components being addressed. As such, recommendations for drug treatment initiation, monitoring, and maintenance were found to be general, often ending with the selection of initial drug therapy.

The goal of the sample protocols section of this *Guide* is to separately address the management of drug therapy as part of the overall disease state and to furnish decision support throughout the

evaluation, monitoring, and maintenance processes needed for the provision of pharmaceutical care. Consequently, disease-specific drug treatment protocols for common disease states are being developed and presented—on an ongoing basis—in this *Guide*.

Our authors and panelists have referenced current national guidelines, along with additional current scientific literature, in the development of these tools. The sample protocols are presented as templates that can be easily adapted to meet specific local needs. APhA envisions that these templates can be integrated into comprehensive disease management programs to maximize the decision support provided to clinicians about drug therapy.

The Format

This *Guide* was designed with flexibility in mind, to help users keep pace with today's rapidly changing health care environment and the explosion of new knowledge and technology. Our initial challenge was to address the immediate need for a practical resource for developing and using disease-specific drug treatment protocols—by launching a guide that would help pharmacists and other health professionals get started in these initiatives. Our ongoing commitment is to continue to provide timely, relevant information and sample protocols to keep our subscribers ahead of the curve.

The six subjects presented in the first installment of the *Guide* were strategically selected to provide information that is fundamental to protocol management. The first three units set the context for creating and using disease-based protocols and guidelines—how these tools have evolved in our dynamic health care system, what they are, where they fit into the marketplace, and how they relate to other familiar tools used to improve medication use. Whether you are interested in developing your own protocols—or in adapting national guidelines—the three practical instructional units will walk you through the processes needed to launch and manage interdisciplinary, disease-specific protocol initiatives, to create protocols, to translate nationally developed guidelines for local implementation, and to identify and incorporate patient outcome measures throughout these tools.

The units in the second and third installments provide instruction in implementing protocols, evaluating the impact of protocol use, and examining liability issues associated with protocol development and use.

The contents will be updated and expanded quarterly. See the cover letter for this release of *Guide* materials for the list of units and current, clinically reliable sample protocols that future releases will include. Furthermore, after examining user feedback, we will identify new instructional topics—as well as additional disease states for protocol development—for release in future subscription years.

Locating and Storing Material

There are three ways to quickly locate material:

1. Use the *TABS* to quickly flip to a particular unit or protocol. The color and placement of the tabs indicate the nature of the contents found behind that tab.

Tab Color/Tab Placement	Front	Back
Gray	Introductory units	Appendices or alphabetical index
Burgundy	Instructional how-to units	
Blue		Sample protocols

The tabbed sections are designed so that important information on creating and using protocols is always at your fingertips. Headings and subheading are used liberally throughout the instructional units to allow users to rapidly locate specific information found in the text. As discussed in the Introduction to Sample Protocols, the explanatory text for each protocol is also presented in a ready-reference format, instead of manuscript form.

2. Scan the entries in the *TABLE OF CONTENTS* for general topics, authors' names, and protocol titles.

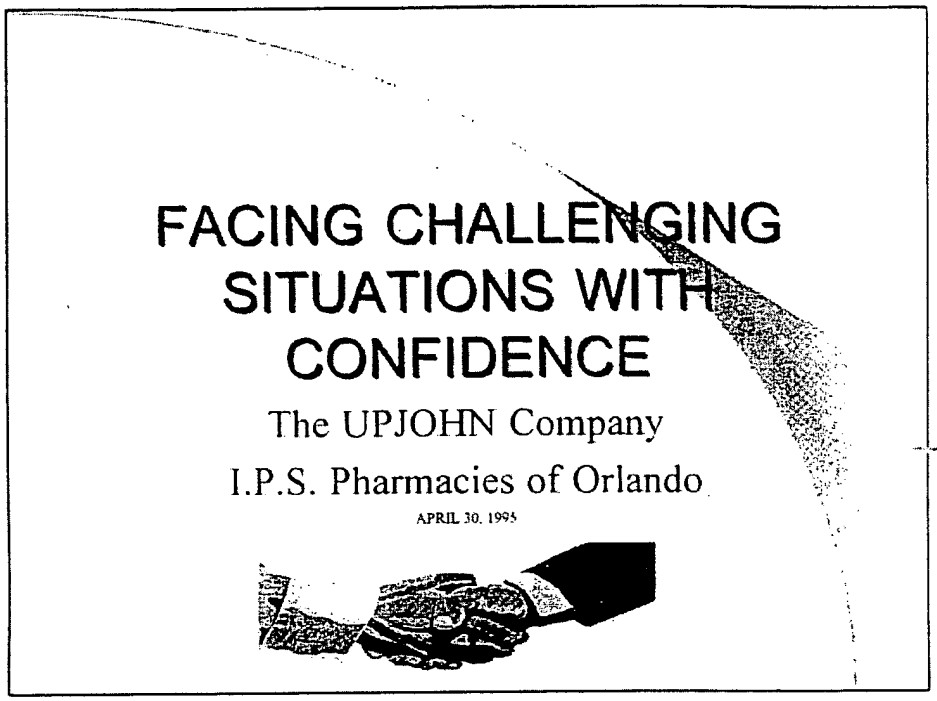
3. Locate specific subjects using the alphabetical *INDEX* in the back of the binder. (See Index tab.)

The tabbed, pocketed, 3-ring binder format will allow you to customize your *Guide* by adding your own reference materials to augment our information—by incorporating local trends, related articles, other guidelines, etc.

We hope that you will find this resource indispensable in your protocol management initiatives. Your feedback on the content and format—as well as suggestions for new material—is strongly encouraged. (Please see form in the Appendix.)

Patti Gasdek Manolakis, PharmD
Editor

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Integrated Pharmacy Solutions of Orlando brought together a group of IPS Pharmacists and developed a Quality Improvement Clinical Task Force.

<OVERHEAD>

The mission statement of the Clinical Task Force is to insure exceptional and innovative pharmaceutical care by providing the Health Care Team with tools and direction to enhance the quality of life of PruCare Members in Orlando.

The objectives of the task force are:

1. To provide understanding of the clinical processes to the health care team by effective communications as deemed appropriate by the Clinical Task Force.

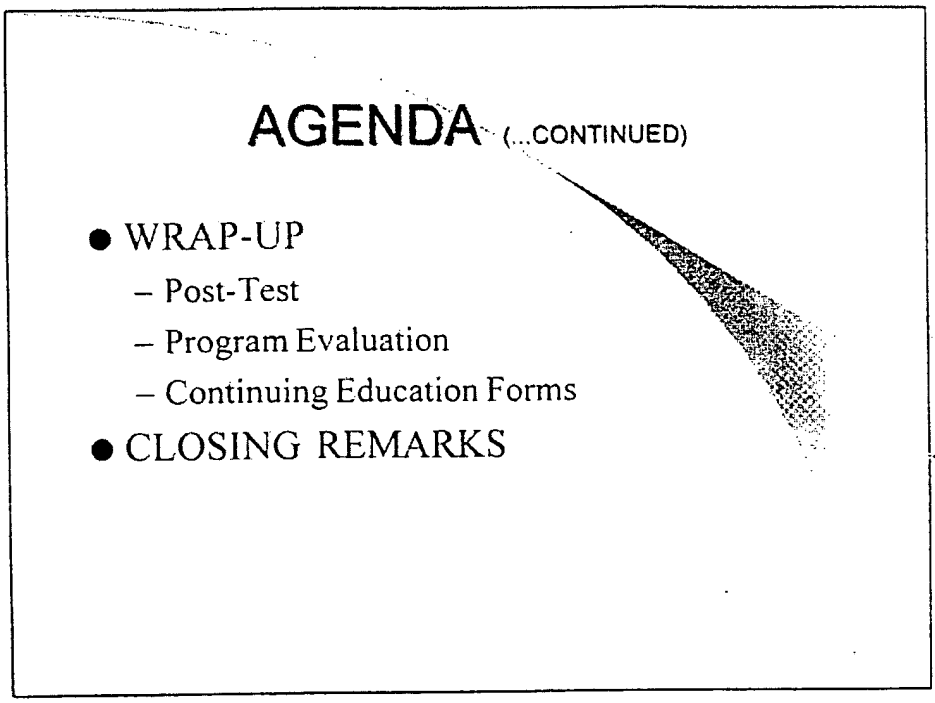
2. To evaluate product selection to determine cost effectivenesss thereby assuring fiscal responsibilities for the Member's benefit.

3. To motivate the Health Care Team to utilize and comply with processes resulting in optimal service to the Member.

4. To acknowledge the Pharmacist of the Health Care Team as Clinical Pharmacists.

5. To evaluate clinical information on an ongoing basis which will affect the review and implementation of clinical processes.

This program (along with all the programs that were planned for this weekend retreat) was one of the first steps to putting our mission statement and objectives to work. The task force recognizes some of the challenges that we face on a daily basis as clinicians. Most often we face challenges when we interact with our Members. This program was developed with the Pharmacist in mind to assist in managing and responding to those challenging situations.



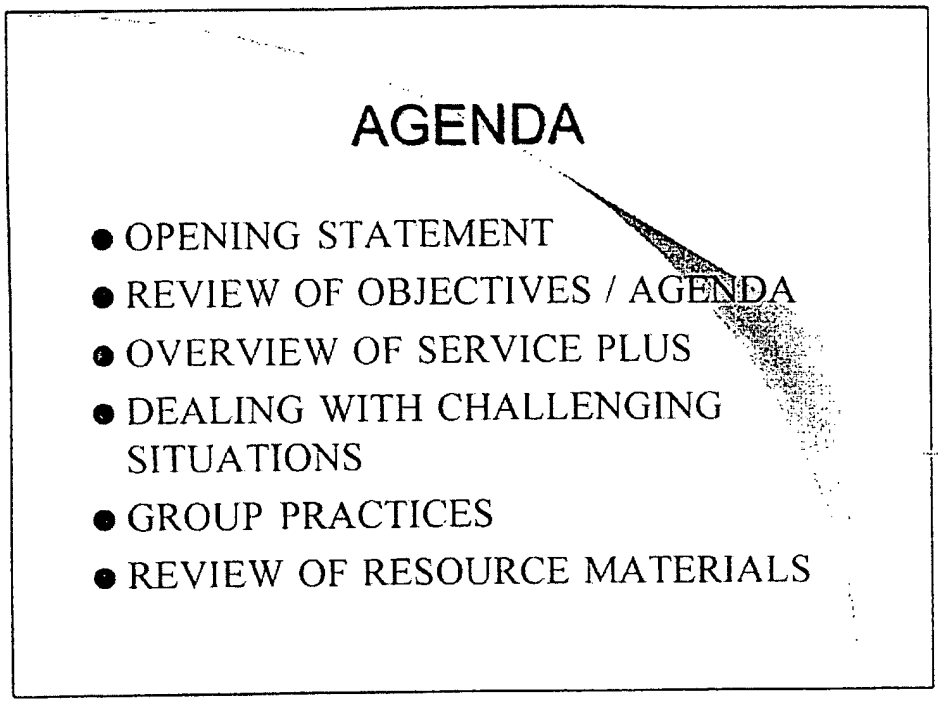
Wrap-Up

POST-TEST

Program Evaluation

Continuing Education Certificates

Closing Remarks: George Gross, Upjohn



OPENING STATEMENT: BILL MAZANEC
REVIEW OF OBJECTIVES AND AGENDA: TERI' BURNELL
OVERVIEW OF SERVICE PLUS: RAFAEL AGUILERA
DEALING W/CHALLENGING SITUATIONS: TIM LEWIS
GROUP PRACTICE EXPLANATION: JULIE JAEB
REVIEW OF RESOURCE MATERIALS: KAREN KOI

integrated pharmacy solutions, inc.

Dear Member,

As a PruCare member, your health care needs are being met by a managed health care organization. What this means to you as a plan member is an integration of total health care needs and an assurance of appropriate quality of care and service, that preventative medicine is being used, and costs are controlled and reduced when possible. Containment of costs is important in the effort to keep health care costs from escalating.

In reference to your prescription benefits, there may be words or terms that you will hear that are unfamiliar to you, or that you do not fully understand. Some of the most frequently used terms will be defined below.

When the term "**prescription drug**" is used, it refers to a medication that, by law, can be dispensed only by prescription. **OTC drug or non-prescription drug** refers to a medicinal substance or device that can be purchased without a prescription, or "over-the-counter".

Integrated Pharmacy Solutions, Inc., the pharmacies within the PruCare health centers, operate under a formulary system. A **formulary** is a list of medications that are determined to be safe and effective. This list is regularly reviewed and updated to reflect current medical standards of drug therapy. When one or more equivalent drugs or brands of drugs exist that reflect current medical standards of drug therapy, the Formulary may only include one such drug or brand in order to alleviate duplication.

So--who reviews this formulary? Good question. A **Pharmacy and Therapeutics ("P&T") Committee** is responsible for the formulary review. This committee is comprised of physicians from each of the specialty groups (Pediatrics, Family Practice, Internal Medicine, and Obstetrics/Gynecology) and pharmacists. This committee meets on a regular basis to discuss formulary changes, restriction changes, policy changes, and current standards of practice which affect the drug benefit.

You may hear the term "**non-formulary**" when you are at the pharmacy. This means that the medication that was prescribed for you is not on the list of medications or formulary for PruCare.
It could be that there are other medications in the same class which would be just as safe and effective, or it might be that the medication is very new to the market, and has not been reviewed by the Pharmacy and Therapeutics Committee. In either case, whenever possible, the pharmacist will check with your provider to determine if there is a formulary medication which could be used instead.

After presenting your prescription or prescriptions to the pharmacy, you might be ask if you would like to get more than a one month supply of your medication. This is an option if you are on a maintenance medication, and the provider writes for multiple refills on your prescription(s). A **maintenance medication** is a prescription drug that is used in the treatment of chronic medical conditions as follows: Chronic obstructive pulmonary disease, clotting disorders; congestive heart failure; coronary artery disease(angina); diabetes, glaucoma; estrogen replacement therapy, hypertension; thyroid disease; seizure disorders, oral contraceptives. You can get up to a 3 month supply of your maintenance medication for one copay per month. You can not be more than 3 months ahead at any one time. If you have been on the medication previously, then you may want to consider buying more than one month. This can save you time and money just by saving unnecessary trips to the pharmacy.

When you need a refill on your medication, whether it is maintenance or not, if you call the telephone number that is on your prescription label, you will also save yourself time, especially if you can call at least two days ahead of time. Because of the volume of new prescriptions, there is sometimes a lengthy wait at the pharmacy. Also, if there are any problems with your prescription, that gives the pharmacy staff time to resolve the problem, or notify you.

When you drop off a prescription to be filled or pick up a prescription that you called in, you will be asked for your **PruCare ID card**. Please have this card ready to show to the person at the pharmacy window. It is the policy of the pharmacy to ask for the card. There are several reasons for this policy. One is to make sure that the correct prescription is getting to the correct patient. Another reason is to verify that the spelling of the name is correct on the prescription. If you do not have a PruCare ID card, you can call member services at (407) 875-2171, and they will arrange to send a new card to you. In the interim, your driver's license will be acceptable.

If you ever have any questions or concerns about the medications which you are taking or are prescribed for you, please do not hesitate to speak to one of the pharmacists at your health center pharmacy. The pharmacist is a valuable source of information, and will be glad to assist you.

Thank you for the opportunity to participate in the management of your health and to service your medication needs.

Prudential HealthCare

Patient Name: [redacted] DOB: [redacted]

Patient ID# [redacted]

Physician Name: [redacted], DO

This record is designed for insertion in the patient's medical chart. Please use this as reference when converting to formulary drugs. Effective 4/1/97, non-formulary drugs in 20 therapeutic categories will not be available for copayment. Therefore, immediate action is needed on the information provided below.

Non-Formulary Drug	*Alternate Formulary Drug(s)**
COZAAR	LOTENSIN, CAPOTEN, CAPTOPRIL, ZESTRIL, ACCUPRIL, UNIVASC
PRILOSEC	PRAVACID

*** For other formulary alternatives, please refer to the *At-A-Glance Pocket Guide*, or the attached Formulary chart insert.**

NOTE: Physicians may submit a **Non-formulary Request Form** for consideration. Each completed request form is reviewed by Prudential HealthCare[SM]. On occasion, supporting documentation may be requested to facilitate the review. Non-formulary medications will be made available for copayment when the Prudential HealthCare criteria are met. *In those cases when non-formulary drugs do not meet the criteria to be made available for copayment, patients may still obtain those non-formulary medications at the pharmacy's usual and customary fee.*

REDACTED

Prudential HealthCare is a brand name for all of the managed health care and employee benefit products marketed by The Prudential Insurance Company of America and its subsidiaries, and for the business unit that administers them.
Prudential Healthcare is a service mark of The Prudential Insurance Company of America.
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PHPS Can Fla

[redacted] Health Connection

Analysis of Specific Physicians With Escalating Costs
April 1999

Goal: Identify the drivers of cost increases from March 1999 to April 1999 for selected physicians.
Outcome: See below. The Yellow Arrow indicates areas of particular concern

[redacted]

Summary:

[redacted] prescription costs increased $300 from March to April. Given his small panel size of 40 in April, this caused a large increase in his PMPM. This cost increase was driven by only five patients. Three of the patients were new (did not get an Rx in Mdarch 1999), and two of the patients were already included in the March data. Below is a detailed table of the cost increases

Patient	New Patient?	Drug Name	Cost	% of Total	
[redacted]	Yes	Zithromax	$30	10%	
[redacted]	No	Paxil	$30	10%	
		Fioricet	$30	10%	
[redacted]	Yes	Zoloft	$40	13%	
[redacted]	No	Asacol	$37	12%	
		Wellbutrin	$73	24%	⇐
[redacted]	Yes	Zocor	$53	18%	⇐
[redacted]			$7	2%	
Total Cost Increases			$300	100%	

[redacted]

Summary:

[redacted] prescription costs increased $1,100 from March to April. This cost increase was driven by only four patients. Three of the patients were new (did not get an Rx in March 1999), and only one of the patients was already included in the March data. This exiting patient received additional medications in April. Below is a detailed table of the cost increases.

Patient	New Patient?	Drug Name	Cost	% of Total	
[redacted]	No	Prevacid	$100	9%	⇐
[redacted]	No	Norvasc	$278	25%	⇐
[redacted]	No	Neurontin	$687	62%	⇐
		Tegretol XR	$93	8%	
[redacted]	Yes	Norvasc	$78	7%	⇐
Misc Increases/Decreases			($136)	-12%	
Total Cost Increases			$1,100	100%	

REDACTED

[redacted] Pharmacy Savings Projections (annualized)

1998 members
40,934
1998 drug spend
$14,448,148

1998 PMPM (corrected)
$29.41
1999 projected spend
$16,904,332.65
1999 projected PMPM
$34.41

Inflation
17.0%
$2,456,185.09

Current Drug Utilization	Annual cost	Alternate Therapy	Annual cost	Rebate Losses	Rebate Gains	Savings potential
Claritin	$843,242.46	Chlorphenarimine	$9,696.96	$0.00	$0.00	$333,418.20
Mevacor/Zocor	$829,552.17	Lescol	$183,860.43	$290,114.46	$76,920.29	$144,151.44
Wellbutrin	$487,459.55	Trazodone	$80,866.42	$78,107.34	$0.00	$65,697.16
Prilosec	$188,232.81	Ranitidine	$52,743.54	$47,058.20	$0.00	$35,372.43
Premarin	$112,656.39	Estratab	$90,225.00	$0.00	$0.00	$5,607.85
Total	**$2,461,143.38**	**Total**	**$417,392.35**	**$415,280.00**	**$76,920.29**	**$584,247.07**

1998 drug spend
$ 14,448,148

1999 proposed savings*
$ 584,247.07 $ 292,123.54
new drug spend*
$ 13,863,900.49
new drug PMPM*
$28.22

*if above initiatives are used in full year 1999

				Calc Cost per Rx
Claritin	$456,756.33	Chlorphenarimine	$5,252.52	$18.63
Mevacor/Zocor	$449,340.76	Lescol	$99,591.07	$21.66
Effexor/Wellbutrin	$264,040.59	Trazodone	$43,802.65	$13.24
Prilosec	$101,959.44	Ranitidine	$28,569.41	$24.95
Premarin	$61,022.21	Estratab	$48,871.88	$26.07

Revised 10/8/1998

REDACTED

[redacted]

Over-the-counter items available at

[redacted]

PATIENT NAME:_____ DATE:_____

PRODUCTS WITH CHECKED BOXES ARE RECOMMENDED FOR YOUR SYMPTOMS

COUGH/COLD/ALLERGY

- ❑ ROBITUSSIN®
- ❑ ROBITUSSIN®-DM
- ❑ ROBITUSSIN®-CF
- ❑ ROBITUSSIN®-PE
- ❑ DIMETAPP® ELIXIR
- ❑ DIMETAPP® EXTENTABS®
- ❑ Pseudoephedrine Tab
- ❑ NASALCROM
- ❑ ADVIL® COLD & SINUS

GI MEDS

- ❑ MAALOX®
- ❑ GAVISCON®
- ❑ IMODIUM® A-D/Loperamide HCl
- ❑ TAGAMET HB® 200
- ❑ **OTHER**_____

ANTIFUNGAL

- ❑ LOTRIMIN® AF/Clotrimazole Cr
- ❑ Miconazole Vag Cr
- ❑ Miconazole Topical Cr

ANALGESIC/ANTIPYRETIC

- ❑ ADVIL®/Ibuprofen 200 mg
- ❑ CHILDREN'S ADVIL®/Ibuprofen 100 mg/5 mL
- ❑ Naproxen Sodium 220 mg
- ❑ Acetaminophen 500 mg
- ❑ Enteric Coated Aspirin

MISCELLANEOUS

- ❑ Ferrous Sulfate
- ❑ Multivitamin
- ❑ Prenatal Vitamin
- ❑ AZO-Standard

WHR-6937

REDACTED

[redacted]

VIA FACSIMILE TRANSMISSION

January 14, 1999

[redacted]

Re: [redacted] Program

Dear [redacted]

The attached schedule indicates the arrangements that have been made for the [redacted] representatives and [redacted] to meet with the [redacted] providers. Also attached per your request is our Rx PAD customized formulary for this practice.

To confirm how these meetings will be conducted, my notes from our meeting on January 6 include the following:

- I will start each meeting with a brief introduction about the [redacted] Program and what our goals are.
- The [redacted] representative will then detail the providers on Lescol, and review the customized patient education materials.

The [redacted] representative will provide breakfast or lunch.

In light of recent information collected by our clinical pharmacists, we plan to position Lescol for use with another lipid lowering agent, such as Niaspan. Lescol lowers LDL cholesterol, while the niacin product affects HDL cholesterol and triglycerides.

I thank you for your assistance with the initiative, and I'll be calling you soon to follow up on other activities we plan to pursue with [redacted] and [redacted] Medical Associates in [redacted].

Sincerely,

Tim Lewis, R.Ph., MBA

Att.

REDACTED

[redacted] MEETING SCHEDULE

Jan 25 Monday	Jan 26 Tuesday	Jan 27 Wednesday	Jan 28 Thursday	Jan 29 Friday
NO MEETINGS	Newberg 7:15	NO MEETINGS	Preston 12:30	Greentree 12:30
	Southwest 12:30			
Feb 1 Monday	Feb 2 Tuesday	Feb 3 Wednesday	Feb 4 Thursday	Feb 5 Friday
NO MEETINGS	Middletown 12:30	Broadway 12:30	NO MEETINGS	NO MEETINGS

All meeting 12:30 luncheons ***except*** Jan. 26 at Newberg (breakfast meeting).

Minimum number of people for whom meals will be needed for each facilities:

Newberg	13
Southwest	9
Preston	9
Greentree	7
Middletown	11
Broadway	11

REDACTED

R. PAD [redacted]

	Depression	Lipid Management	Allergic Rhinitis	GI Therapy	Anti-infective Therapy
Preferred Agents	Sinequan Pamelor Desyrel	Lescol	OTC Agents Polaramine Naldecon Nasalcrom	Life Style Modifications OTC H2's Gaviscon dicyclomine metoclopramide	amoxicillin erythromycin SMX/TMP doxycycline metronidazole nitrofurantoin
Acceptable Agents	Zoloft 1/2 tab 100mg Serzone	Lescol w/Questran Lescol w/Niaspan Lescol w/Lopid	Vancenase AQ Rhinocort	cimetidine ranitidine	cephalexin Zithromax Cedax cefaclor Lorabid Vantin Suprax
Discouraged Agents	Prozac Zoloft Paxil	Zocor	Claritin Flonase Allegra	Prilosec	Cipro Biaxin Ceftin Cefzil Augmentin

Revised 1/14/99 [redacted]

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℞ **PAD** [redacted]

	NSAID Therapy	Hypertension	Hormone Replacement Therapy	Oral Contraceptive Therapy
Preferred Agents	OTC NSAIDs	Diuretics Beta-blockers	Estrace (estradiol) Provera (medroxyprogesterone)	Ortho-Novum 1/35, 1/50, 10/11 (generic) Nordette (generic) Demulen 1/35, 1/50 (generic)
Acceptable Agents	Motrin (ibuprofen) Nalfon (fenoprofen) Disalcid (salsalate) Feldene (piroxicam) Ansaid (flurbiprofen) Orudis (ketoprofen)	Lotensin Lotensin HCT Sular verapamil SR Dilacor XR	Estratab estropipate Premarin	Alesse Tri-Norinyl Ortho-Cept Ortho-Cyclen Loestrin FE Ortho Tri-Cyclen Ortho-Novum 7/7/7
Discouraged Agents	Daypro Any branded NSAID where a generic is available	Norvasc Zestril Adalat CC Capoten Cardizem CD	Prempro Estraderm Vivelle	Ovcon Lo/Ovral Micronor Modicon Triphasil

Revised 1/14/99 [redacted]

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[redacted] Formulary April 20, 1995

ANALGESICS
NARCOTICS (C-II)
CODEINE 15mg tablet, 30mg tablet, 60mg tablet
DEMEROL 50mg tablet, 100mg tablet, 50mg syringe, 75mg syringe, 100mg syringe
MORPHINE 10mg/ml 1-ml Disp, 30mg tablet
MS CONTIN 30mg tablet, 60mg tablet
PERCOCET tablet
PERCODAN tablet
ROXICET tablet
ROXILOX 5/500 capsule
ROXIPRIN tablet
TYLOX capsule

NARCOTICS (C-III & C-IV)
DARVOCET-N-100 tablet
EMPIRIN #3 30mg codeine tablet
EMPIRIN #4 60mg codeine tablet
EQUAGESIC tablet
EQUANIL 200mg tablet, 400mg tablet
FIORINAL tablet
FIORINAL W/CODEINE #3 30mg codeine capsule
ISOLLYL tablet
TALWIN NX tablet
TYLENOL #3 30mg codeine tablet
TYLENOL #4 60mg codeine tablet
TYLENOL W/ CODEINE 120mg/12mg/5ml

NON-NARCOTIC
BUTALBITAL/APAP/CAFFEINE tablet
CHILDREN'S MOTRIN 100mg/5ml 120ml
DISALCID 750mg tablet, 500mg tablet
DOLOBID 250mg tablet, 500mg tablet
IBUPROFEN 600mg tablet, 400mg tablet, 800mg tablet
INDOMETHACIN 25mg capsule, 50mg capsule
INDOMETHACIN SR 75mg capsule
LODINE 200mg capsule, 300mg capsule
NAPROXEN 500mg tablet, 375mg tablet, 250mg tablet
NAPROXEN SODIUM 275mg tablet, 550mg DS tablet
PHRENELIN tablet
PIROXICAM 20mg capsule
RELAFEN 750mg tablet, 500mg tablet
SULINDAC 200mg tablet, 150mg tablet
TORADOL 60mg/2ml syringe, 30mg/ml syringe, 15mg/ml syringe, 10mg tablet
TRILISATE 750mg tablet, 500mg tablet
VOLTAREN 50mg tablet, 75mg tablet, 25mg tablet

ANTHELMINTICS
ANTHELMINTICS
MINTEZOL SUSPENSION 500mg/5ml 120ml
VERMOX 100mg chewable tablet

ANTI-ANEMIA
ANTI-ANEMIA
FERRO-FOLIC tablet

ANTI-COAGULANTS
ANTI-COAGULANTS
COUMADIN 2.5mg tablet, 1mg tablet, 10mg tablet, 5mg tablet, 2mg tablet, 7.5mg tablet
HEPARIN 5,000u/ml injectable

ANTI-CONVULSANTS
ANTI-CONVULSANTS
DEPAKENE 250mg capsule, 250mg/5ml syrup
DEPAKOTE 125mg tablet, 250mg tablet, 500mg tablet, 125mg sprinkle capsule
DILANTIN 50mg Infatabs, 100mg capsule, 125/5ml suspension, 30mg capsule
KLONOPIN 2mg tablet, 0.5mg tablet, 1mg tablet
PHENOBARBITAL 30mg tablet, 15mg tablet, 60mg tablet
TEGRETOL 100mg chew tablet, 100mg/5ml suspension, 200mg tablet

ANTI-DIABETIC
DIABETIC AIDES
ACCUCHEK EASY BLOOD GLUCOSE each
ACCUCHEK EASY TEST STRIPS box of 50
MONOJECT 1cc, 1/3cc
MONOJECT LODOSE 1/2cc

GLUCOSE ELEVATING AGENTS
GLUCAGON 1mg/ml injection

INSULIN
ILETIN 100 units/ml 10ml, 100 units/ml 10ml, 100 units/ml 10ml
ILETIN (LILLY) 100 units/ml 10ml
INSULIN 100 units/ml 10ml, 100 units/ml 10ml, 100 units/ml 10 ml
NOVOLIN 100 units/ml 10ml
NOVOLIN L 100 units/ml 10ml
NOVOLIN N 100 units/ml 10ml
NOVOLIN R 100 units/ml 10ml

SULFONYLUREAS
DIABETA 5mg tablet
DIABINESE 250mg tablet, 100mg tablet
GLUCOTROL 10mg tablet, 5mg tablet
MICRONASE 5mg tablet
ORINASE 500mg tablet
TOLINASE 250mg tablet, 100mg tablet

ANTI-DIARRHEALS
ANTI-DIARRHEALS
LOMOTIL 2.5mg tablet
LONOX 2.5mg tablet

ANTI-EMETICS AND EMETICS
ANTI-EMETICS AND EMETICS
ANTIVERT 25mg tablet, 12.5mg tablet
MARINOL 2.5mg capsule, 5mg capsule, 10mg capsule
PHENERGAN 25mg tablet, 12.5mg supp (BOX OF 12), 25mg supp (BOX OF 12), 50mg supp (BOX OF 12)
VISTARIL 25mg capsule, 50mg capsule

ANTI-INFECTIVES
AMEBICIDES
FLAGYL 500mg tablet, 250mg tablet

ANTI-FUNGALS (ANTI-INFECTIVES)
FULVICIN 500mg tablet
GRIFULVIN 125mg/5ml susp 120ml
GRISACTIN 250mg capsule
MYCELEX 10mg troche
MYCOSTATIN 100,000 u/ml 60ml
NILSTAT 500,000 unit tablet
NIZORAL 200mg tablet

ANTITUBERCULOSIS AGENTS
ISONIAZID 300mg tablet
MYCOBUTIN 150mg capsule
RIFADIN 300mg capsule
RIMACTANE 300mg capsule

ANTIVIRALS
FAMVIR 500mg tablet
HIVID 0.75mg tablet, 0.375mg tablet
RETROVIR 100mg capsule
VIDEX 25mg tablet, 150mg tablet, 100mg tablet, 50mg tablet
ZOVIRAX 200mg capsule, 800mg tablet, 15gm ointment 2%, 200mg/5ml suspension, 400mg tablet

CEPHALOSPORINS
VANTIN 50mg/5ml 100ml suspension, 100mg/5ml 100ml susp
CEFTIN 250mg tablet, 500mg tablet, 125mg tablet
CEFZIL 125mg/5ml 75ml, 125mg/5ml 100ml, 250mg/5ml 50ml, 250mg/5ml 75ml, 250mg/5ml 100ml, 125mg/5ml 50ml
CEPHALEXIN 250mg/5ml 200ml, 250mg tablet, 500mg capsule, 250mg/5ml 100ml, 125mg/5ml 100ml, 125mg/5ml 200ml
ROCEPHIN 500mg, 1gm, 2gm, 250mg
SUPRAX 100mg/5ml 50ml, 100mg/5ml 100ml

FLUOROQUINOLONE
CIPRO 750mg tablet, 500mg tablet, 250mg tablet

MACROLIDES
BIAXIN 500mg tablet, 250mg tablet, Oral Suspension 125mg/5ml, Oral Suspension 250mg/5ml
E-MYCIN 333mg tablet
E.E.S. 400mg tablet, 200mg/5ml suspension, 400mg/5ml suspension
ERY TABS 500mg tablet, 250mg tablet
ERYTHROMYCIN 500mg tablet

PENICILLINS
AMOXIL 250mg capsule, 250mg/5ml susp 150ml, 250mg chewable tablet, 125mg/5ml susp 150ml, 125mg/5ml susp 100ml, 250mg/5ml susp 100ml, 500mg capsule, 125mg chewable tablet
AUGMENTIN 125mg chewable tablet (amox, 125mg/5ml susp 75ml (amox, 250mg/5ml susp 150ml (amo, 125mg/5ml susp 150ml (amo, 250mg chewable tablet (amo, 250mg/5ml susp 75ml (amox, 250mg tablet (amox/clav acl, 500mg tablet (amox/clav acl
BEEPEN-VK 125mg/5ml susp 100ml, 250mg/5ml susp 100ml, 250mg/5ml susp 200ml, 125mg/5ml susp 200ml
DYNAPEN 62.5mg/5ml susp 100ml, 500mg capsule, 62.5mg/5ml susp 200ml, 250mg capsule
V-CILLIN K 250mg tablet, 500mg tablet

SULFONAMIDES
AZULFIDINE 500mg tablet
AZULFIDINE EN 500mg enteric coated tablet
BACTRIM 200mg/40mg per 5ml susp, 400mg/80mg tablet
BACTRIM DS 800mg/160mg tablet
COTRIM 400mg/80mg tablet
COTRIM DS 800mg/160mg tablet
GANTANOL 0.5gm tablet
GANTRISIN 500mg tablet, 500mg/5ml suspension
PEDIAZOLE 200ml suspension, 150ml suspension, 100ml suspension
SEPTRA 200mg/40mg per 5ml susp, 400mg/80mg tablet
SEPTRA DS 800mg/160mg tablet

TETRACYCLINES
DOXYCYCLINE 50mg capsule, 100mg capsule
MINOCYCLINE 50mg capsule, 100mg capsule
TETRACYCLINE 500mg capsule, 250mg capsule

URINARY
FURADANTIN ORAL SUSPENSION 25mg/5ml
MACRODANTIN 100mg capsule, 50mg capsule
PROLOPRIM 100mg tablet, 200mg tablet
PYRIDIUM 100mg tablet, 200mg tablet
TRIMPEX 100mg tablet
URIDON tablet (see notes)
URISED tablet (see notes)

VAGINAL PREPARATIONS
CLEOCIN 2% VAGINAL CREAM 40gm

ANTI-INFLAMMATORY
ANTI-INFLAMMATORY
CHILDRENS MOTRIN 100mg/5ml 120ml
DECADRON 0.25mg tablet, 0.75mg tablet, 4mg tablet, 0.5mg/5ml elixir
DELTASONE 5mg tablet, 10mg tablet, PRUCARE Pak 14 days #59 I, PRUCARE Dose-pak 6 days #, 20mg tablet
DISALCID 500mg tablet, 750mg tablet
INDOCIN 25mg tablet, 50mg tablet, 75mg Sr capsule
MOTRIN, RUFEN 800mg tablet, 600mg tablet, 400mg tablet
NAPROSYN 375mg tablet, 250mg tablet, 500mg tablet
NAPROXEN SODIUM 275mg tablet
PEDIAPRED 5mg/5ml
PIROXICAM 20mg capsule
PRELONE 15mg/5ml
SULINDAC 200mg tablet, 150mg tablet
TOLECTIN 400mg DS capsule, 200mg tablet
TORADOL 10mg tablet, 60mg/2ml syringe, 30mg/ml syringe, 15mg/ml syringe
TRILISATE 750mg tablet, 500mg tablet
VOLTAREN 75mg tablet, 50mg tablet, 25mg tablet

ANTI-MALARIALS
ANTI-MALARIALS
ARALEN 500mg tablet
ATABRINE 100mg tablet
PLAQUENIL 200mg tablet

ANTI-PRURETICS-ORAL
ANTI-PRURETICS-ORAL
BENADRYL 50mg capsule, 25mg capsule
HYDROXYZINE 10mg/5ml syrup, 10mg tablet, 50mg tablet, 25mg tablet
PERIACTIN 4mg tablet, 2mg/5ml syrup

ANTI-SPASMOTICS & ANTICHOLINERGICS
ANTI-SPASMOTICS & ANTICHOLINERGICS
COMPAZINE 10mg tablet, 5mg tablet
DICYCLOMINE 10mg capsule, 20mg tablet
DITROPAN 5mg tablet, 5mg/5ml syrup
DONNATAL tablet (see notes), elixir (see notes)
LIBRAX capsule
TRANSDERM SCOP - BOX OF 4 each
URIDON tablet

ANTIHISTAMINES / DECONGESTANTS / MUCOLYTICS
ANTIHISTAMINES
BENADRYL 50mg capsule
HISMANAL 10mg tablet
HYDROXYZINE 10mg/5ml syrup, 100mg tablet, 50mg tablet, 25mg tablet, 10mg tablet
PERIACTIN 2mg/5ml syrup, 4mg tablet
POLARAMINE 2mg/5ml syrup, 6mg tablet
SELDANE 60mg tablet
TAVIST SYRUP 0.67mg/5ml 120ml

COMBINATIONS
BROMOPHEN 12mg tablet
CARDEC DM 120ml
CARDEC S 120ml
DECONAMINE SR capsule
GUIATEX LA tablet
NALDECON tablet
NOLAMINE tablet
ZEPHREX LA tablet

MUCOLYTICS
GUAIFEN LA 600mg tablet

ASTHMA-PREPS
BRONCHODILATORS-ORAL
ALBUTEROL 4mg tablet, 2mg tablet
BRETHINE 5mg tablet
METAPREL 20mg tablet, 10mg/5ml syrup, 10mg tablet
PROVENTIL 2mg/5ml syrup
SLO-BID GYROCAP 50mg capsule, 300mg capsule, 200mg capsule, 100mg capsule, 75mg capsule, 125mg capsule
SLO-PHYLLIN GYROCAP 125mg capsule, 250mg capsule, 60mg capsule
THEO-DUR 300mg tablet, 450mg tablet, 200mg tablet, 100mg tablet
THEO-DUR SPRINKLE 125mg capsule, 200mg capsule, 50mg capsule, 75mg capsule

FOR INHALATION
AEROBID 250mcg/inh
ALUPENT 10ml
AZMACORT ORAL INHALER 20gm
INTAL INHAL SOLUTION 2ml / amp 60 amps
INTAL ORAL INHALER 8.1gm
METAPREL 10ml, 10ml
PROVENTIL 17gm
SEREVENT inhaler
TILADE ORAL INHALER 16.2gm
VANCERIL 42mcg/inh 18.8grams

MISCELLANEOUS (ASTHMA-PREPS)
ADRENALIN 1mg/ml amp

SPACER DEVICES
ELLIPSE each
INSPIREASE each

BIOLOGICALS
SKIN TESTS
CANDIDA ABLICANS 1:500
DERMATOPHYTIN 0.1ml/dose
HISTOPLASMIN, DILUTED 0.1ml/test dose
MSTA 0.1ml/test dose
TINE TEST PPD 5 T U activity /test unit
TUBERSOL 5 T.U/0.1ml 0.1ml/test dose

VACCINES
ACEL-IMUNE 0.5ml/dose
ATTENUVAX 0.5ml/dose
BIAVAX II 0.5ml/dose
DIPHTHERIA AND TETANUS TOXOID 0.5ml/dose
DIPHTHERIA AND TETANUS TOXOIDS 0.5ml/dose
ENGERIX-B 20mcg/ml adult dose, 10mcg/0.5ml pediatric dose
FLUZONE 0.5ml/dose
HIBTITER 0.5ml/dose
IPOL 0.5ml/dose
M-M-R II 0.5ml/dose
M-R-VAX II 0.5ml/dose
MERUVAX II 0.5ml/dose
MUMPSVAX 0.5ml/dose
ORIMUNE ORAL SUSPENSION 0.5ml dispette
PNU-IMMUNE 23 0.5ml/dose
TETANUS TOXOID, ADSORBED 0.5ml/dose
TETRAMUNE 05ml/dose
TRI-IMMUNOL 0.5ml/dose

BLOOD MODIFIERS
GRANULOCYTE COLONY STIMULATING FACTOR
NEUPOGEN 300mcg/ml 1.6ml vial; 300mcg/ml 1ml vial

RECOMBINANT HUMAN ERYTHROPOLETIN
EPOGEN 4,000 units/ml 1ml vial, 2,000 units/ml 1ml vial, 3,000 units/ml 1ml vial, 10,000 units/ml 1ml vial
PROCRIT 2,000 units/ml 1ml vial, 3,000 units/ml 1ml vial, 4,000 units/ml 1ml vial, 10,000 units/ml 1ml vial

CARDIOVASCULAR DRUGS
ACE INHIBITORS
ACCUPRIL 5mg tablet, 10mg tablet, 20mg tablet, 40mg tablet
CAPOTEN 12.5mg tablet, 25mg tablet, 50mg tablet, 100mg tablet
VASOTEC 10mg tablet, 5mg tablet, 20mg tablet, 2.5mg tablet
ZESTRIL 40mg tablet, 10mg tablet, 20mg tablet, 5mg tablet

ANTI-ARRHYTHMICS
NORPACE 150mg capsule, 150mg CR capsule, 100mg tablet
PROCAN SR 500mg tablet, 250mg tablet, 750mg tablet
PRONESTYL 250mg capsule
QUINAGLUTE 324mg sustained release tabl
QUINIDEX EXTENTABS 300mg extended release tabs
QUININE SULFATE 260mg tablet

ANTI-HYPERLIPIDEMICS
LESCOL 20mg capsule, 40mg capsule
LOPID 600mg tablet
LORELCO 250mg tablet, 500mg tablet
QUESTRAN LITE 210grams powder (see notes
QUESTRAN REGULAR 378grams powder (see notes
ZOCOR 5mg tablet, 40mg tablet, 20mg tablet, 10mg tablet, 5mg tablet, 10mg tablet, 20mg tablet, 40mg tablet

ANTI-HYPERTENSIVES
AMILORIDE/HCTZ tablet
CHLORTHALIDONE 50mg tablet, 25mg tablet
CLONIDINE 0.3mg tablet, 0.2mg tablet, 0.1mg tablet
FUROSEMIDE 10mg/ml inj. 2ml, 80mg tablet, 10mg/ml oral solution, 20mg tablet, 40mg tablet
HCTZ 25mg tablet, 50mg tablet
HYDRALAZINE 25mg tablet, 10mg tablet, 50mg tablet
HYTRIN 10mg tablet, 1mg tablet, 2mg tablet, 5mg tablet
METHYLDOPA 500mg tablet, 250mg tablet
NALDOLOL 80mg tablet, 40mg tablet
PRAZOSIN 5mg capsule, 1mg capsule, 2mg capsule
SPIRONOLACTONE 25mg tablet
SPIRONOLACTONE/HCTZ 25/25 25/25 tablet
TRANDATE 200mg tablet, 300mg tablet, 400mg tablet
TRIAM/HCTZ 75/50 tablet

BETA-BLOCKERS,BETA-1 SPECIFIC
ATENOLOL 50mg tablet, 100mg tablet
LOPRESSOR 100mg tablet, 50mg tablet

BETA-BLOCKERS,NON-SPECIFIC
CORGARD 80mg tablet, 40mg tablet
PROPRANOLOL 80mg tablet, 10mg tablet, 20mg tablet, 40mg tablet, 60mg tablet
PROPRANOLOL LA 80mg capsule, 120mg capsule, 160mg capsule, 60mg capsule
VISKEN 10mg tablet, 5mg tablet

CALCIUM CHANNEL ANTAGONIST
CALAN 40mg tablet, 120mg tablet, 80mg tablet
CALAN SR 180mg tablet, 240mg tablet, 120mg tablet
CARDIZEM 30mg tablet, 60mg tablet, 90mg tablet, 120mg tablet
CARDIZEM CD 180mg capsule, 120mg capsule, 240mg capsule, 300mg capsule
NORVASC 2.5mg tablet, 5mg tablet, 10mg tablet

INOTROPES
LANOXIN .125mg tablet, .25mg tablet, .05mg/ml elixir 60ml

VASODILATORS
ISORDIL TEMBIDS 10mg sublingual tablets, 40mg CR capsule, 40mg CR tablet, 5mg sublingual tablets, 2.5mg sublingual tablets
ISORDIL TITRADOSE 10mg tablet, 20mg tablet, 30mg tablet, 40mg tablet, 5mg tablet
NITRO-DUR (Box of 30) 0.1mg/hr patch, 0.3mg/hr patch, 0.4mg/hr patch, 0.6mg/hr patch, 0.2mg/hr patch
NITROBID SUSTAINED RELEASE 6.5mg capsules, 9mg capsules, 2.5mg capsules
NITROL 2% oint 60gm
NITROSTAT 0.3mg sublingual tablet, 0.4mg sublingual tablet, 0.6mg sublingual tablet
PERSANTINE 25mg tablet, 50mg tablet, 75mg tablet

CONTRACEPTIVES
DIAPHRAGMS
ORTHO ALL-FLEX 80, 75, 70, 65, 60, 65

LOW ESTROGEN/INTERMEDIATE PROGESTIN
LOESTRIN 1/20 28 day
LOESTRIN FE 1.5/30 28 day
NORDETTE 28 day

LOW ESTROGEN/LOW PROGESTIN
MODICON 28 day
ORTHO-NOVUM 1/35 28 day
ORTHO-NOVUM 1/50 28 day

MEDROXYPROGESTERONE CONTRACEPTIVE INJECTION
DEPO-PROVERA 150mg/ml 1ml vial

PROGESTIN (CONTRACEPTIVES)
MICRONOR 28 day

TRIPHASIC
ORTHO-NOVUM 7/7/7 (see notes) 28 day
TRIPHASIL (see notes) 28 day

COUGH EXPECTORANTS AND SUPPRESSANTS
COUGH EXPECTORANTS AND SUPPRESSANTS
CARDEC DM 120ml
HYDROCODONE 120ml
TESSALON PERLES 100mg perles
TUSSI ORGANIDIN 120ml
TUSSI ORGANIDIN DM 120ml

DERMATOLOGICALS
ACNE PREPS
CLEOCIN T 1% topical soln 30ml
ERYDERM 2% soln 60ml
ERYGEL 2% topical gel 30gm
METROGEL 0.75% gel 30gm
PANOXYL AQ 5% gel (water base), 10% gel (water base)
RETIN-A .025% gel 15gm, .01% gel 15gm, .05% cream 20gm, .1% cream 20gm, .025% cream 20gm

ANTI-FUNGALS (DERMATOLOGICALS)
FUNGOID TINCTURE 30ml
LOTRIMIN 30ml soln
MYCO-TRIACET 30 gram ointment, 15 gram ointment, 15 gram cream, 30 gram cream
MYCOSTATIN 15gm ointment, 15gm cream, 30gm cream, 30gm ointment
NAFTIN 1% 15gm cream, 30gm cream
NIZORAL 2% 30gm cream, 15gm cream

ANTI-INFLAMMATORIES (DERMATOLOGICALS)
BETAMETHOASONE DIPROPRIONAT 45gm cream, 15gm ointment, 60ml lotion, 45gm ointment, 15gm cream, 0.05% ointment 15gm
DESOWEN .05% 15gm cream, 60gm cream
FLUOCINOLONE .025% cream 15gm, .01% cream 15gm, .01% soln 20ml, 60ml lotion
FLUOCINONIDE 30gm ointment, 60gm cream, 30gm cream, 15gm cream, 15gm ointment, 60ml solution
HYTONE 2.5% cream 30gm, 1% lotion 120ml
TEMOVATE 0.05% cream 15gm, 0.05% cream 30gm, 0.05% cream 45gm, 0.05% ointment 15gm, 0.05% ointment 30gm, 0.05% ointment 45gm
TRIAMCINOLONE 15gm cream, 80gm ointment, 15gm ointment, 80gm cream

ANTI-PSORIASIS/ANTI-SEBORRHEA
LCD 15% in GREEN SOAP (compound age shampoo 180ml
SELENIUM SULFIDE 2.5% lot/sham 120ml

ANTIBACTERIALS & LOCAL ANTI-INFECTIVES
BACTROBAN 2% ointment 15gm
GENTAMICIN 15gm
ZOVIRAX 15gm ointment

ANTIPRURITICS/LOCAL ANESTHETICS
LIDOCAINE 2% soln 100ml
LIDOCAINE/EPREPHRINE/ADRENALI 50ml
MANTADIL 2% cream 15gm, .5% ointment
TETRACAINE/ADRENALIN/COCAINE 3ml

MISCELLANEOUS (DERMATOLOGICALS)
EFUDEX 5% cream 25gm
SSD cream 50gm, cream 400gm, cream 20gm

SCABICIDES/PEDICULICIDE
ELIMITE 5% cream 60gm
LINDANE 1% shampoo 60ml, 1% lotion 60ml

DIURETICS
DIURETICS
CHLORTHALIDONE 25mg tablet, 50mg tablet
FUROSEMIDE 10mg/ml soln 60ml, 80mg tablet, 40mg tablet, 20mg tablet
HCTZ 50mg tablet, 25mg tablet

MODURETIC tablet
SPIRONOLACTONE 25mg tablet
SPIRONOLACTONE/HCTZ 25/25 tablet
TRIAM/HCTZ 75/50 tablet

EMERGENCY MEDICATIONS
CRASH CART, ADULTS

AMINOPHYLLINE 50mg/20ml vial
APRESOLINE 20mg/ml amp
ATROPINE 0.5mg/5ml syringe
BACTERIOSTATIC WATER 30ml vial
BRETYLIUM TOSYLATE 500mg/10ml vial
CALCIUM GLUCONATE 10% inj. 10ml syringe
DEXAMETHASONE 10mg/ml vial
DEXTROSE 50% syringe
DOPAMINE 200mg/5ml vial
GENTAMICIN 80mg/2ml vial
GLUCAGON 1mg (1 units) /1ml diluent
HEPARIN 100 units/ml 10ml vial
INDERAL 1mg/ml amp
ISUPREL 1:5000 1ml amp, 1mg/5ml amp
LANOXIN 0.5mg/2ml amp
LASIX 40mg/4ml prefilled syringe, 20mg/2ml amp
LIDOCAINE 4% 2gm/50ml vial, 2% 100mg/5ml syringe
NARCAN 0.4mg/ml syringe
NITROSTAT 0.4mg sublingual tablets #25
PHENOBARBITAL 65mg/ml vial
POTASSIUM CHLORIDE 20meq/10ml vial
PROCAINAMIDE 500mg/ml 2ml vial
SODIUM BICARBONATE 7.5% 50ml syringe, 8.4% 50ml syringe
VERAPAMIL 5mg/2ml syringe

CRASH CART, PEDIATRICS

ATROPINE 0.05mg/ml 5ml syringe, 0.1mg/ml 5ml syringe
CALCIUM CHLORIDE 10% 10ml syringe
DEXAMETHASONE 4mg/ml 5ml vial
DEXTROSE 25% 10ml syringe
DIAZEPAM 10mg/2ml vial
DILANTIN 100mg/2ml vial
EPINEPHRINE 1:10,000 10ml syringe, 1:1,000 1ml amp
LIDOCAINE 1% syringe 5ml
MAGNESIUM 50% syringe 10ml
NARCAN 0.02mg/ml 2ml amp
SODIUM BICARBONATE 8.4% syringe 10ml
STERILE WATER 10ml SDV

FERTILITY AGENTS
FERTILITY AGENTS

HCG 5,000 units/10ml, 10,000 units/10ml
PERGONAL 75 IU 2ml amp (see notes), 150 IU 2ml amp (see notes)
SEROPHENE 50mg tablet

GASTROINTESTINAL
GASTROINTESTINAL

CARAFATE 1gm tablet
CISAPRIDE 10mg tablets, 20mg tablets
COLYTE PREP 4 liter bottle (see notes)
CYTOTEC 200mcg tablet, 100mcg tablet
METOCLOPRAMIDE 10mg tablet
PRILOSEC 20mg capsule
TAGAMET 400mg tablet, 300mg tablet, 200mg tablet, 800mg tablet
ZANTAC 150mg tablet, 300mg tablet

HEMORRHOIDAL PREPS
HEMORRHOIDAL PREPS

ANUSOL HC CREAM (see notes) 30gm
ANUSOL HC SUPP (see notes) suppositories #12
CORT ENEMA 100mg/60ml 7x60ml
PROCTOFOAM HC 10gm w/applicator

HORMONES
ANDROGENS

DANOCRINE 50mg tablet, 200mg capsule

ESTROGENS & COMBINATIONS

ESTRATAB 2.5mg tablet, 0.3mg tablet, 0.625mg tablet, 1.25mg tablet
ESTRATEST tablet
ESTRATEST HS tablet
PREMARIN 0.9mg tablet, 0.3mg tablet, 0.625mg tablet, 1.25mg tablet, 2.5mg tablet, 0.625mg vaginal cream 45g

GONADOTROPIN-RELEASING HORMONE ANALOG

GOSARELIN ACETATE 3.6mg implant
LUPRON DEPOT 7.5mg kit, 3.75mg kit

PROGESTIN (HORMONES)

PROVERA 5mg tablet, 10mg tablet, 2.5mg tablet

MIGRAINE AGENTS
MIGRAINE AGENTS

D.H.E 45 1mg/ml inj. 1ml
ERCAF tablet
ERGOSTAT 2mg sublingual tablet
ESGIC tablet
I.D.A capsule
IMITREX 6mg/.5ml single dose vials 5, 6mg/.5ml Unit of Use Syrn, 6mg/.5ml Self Dose Syringe, 6mg/.5ml Self Dose Kit
ISOLLYL tablet
PHRENILIN tablet

MINERAL AND ELECTROLYTES
FLUORIDE

FLUORIDE 1mg chew tablet (contains 2.0.125/drop 30ml dropper bot, 0.5mg chew tablet (contains

POTASSIUM REPLACEMENT PRODUCTS

K-DUR 10meq tablet
K-TAB 10meq tablet
SLOW-K 8meq tablet

MISCELLANEOUS
MISCELLANEOUS

ANA-KIT INSECT STING KIT each
ANTABUSE 250mg tablet
CYTOXAN 50mg tablet
IMURAN 50mg tablet
METHOTREXATE 2.5mg tablet
PARLODEL 5mg capsule, 2.5mg tablet
QUINAMM 260mg tablet
X-PREP ml, each

MUSCLE RELAXANTS
MUSCLE RELAXANTS

BACLOFEN 20mg tablet, 10mg tablet
CHLORZOXAZONE 500mg tablet
CYCLOBENZAPRINE 10mg tablet
METHOCARBAMOL 750mg tablet, 500mg tablet

NASAL PREPS
NASAL PREPS

BECONASE 16.8gm
BECONASE AQ 25ml
NASALCROM Nasal soln 13ml w/pump

NON-PRESCRIPTIONS DRUGS
ANALGESICS (NON-PRES)

ALEVE 220mg tablet

ANTACIDS / ANTIFLATULENTS (NON-PRES)

GAVISCON liquid 360ml
MAALOX PLUS none

ANTI-ANEMIA (NON-PRES)

FERROUS SULFATE 325mg tablet

ANTI-DIARRHEALS(NON-PRES)

DIASORB 750mg/5ml 120ml
IMODIUM AD LIQUID 2mg/5ml 60ml
IMODIUM AD TABLET 2mg tablet
KAOPECTATE 6g/130mg 130ml suspension, 6g/130mg per 30ml suspens
KAOPECTATE ADVANCED FORMULA 600mg/15ml
MITROLAN chewable tablet
PEPTO BISMOL 262mg/15ml, 120ml

ANTI-EMETICS(NON-PRES)

COKE SYRUP 120ml

ANTI-FUNGALS (NON-PRES)

LOTRIMIN AF 1% cream 12gm cream

ANTI-INFLAMMATORIES (NON-PRES)

HYTONE 1% cream 30gm, .05% cream

ANTI-PRURETICS-ORAL(NON-PRES)

BENADRYL 12.5mg/5ml elixir

ANTIBACTERIALS & LOCAL ANTI-INFECTIVES(NON-PRES)

ALCOHOL 70%
BACITRACIN 30gm
NEOSPORIN OINMENT 15gm

ANTIHISTAMINES(NON-PRES)

BENADRYL 12.5mg/5ml elixir, 25mg capsule

CATHARTIC /STOOL SOFTENERS(NON-PRES)

PERI-COLACE capsule

COMBINATIONS(NON-PRES)

ACTIFED tablet
DIMETAPP 12mg tablet
SUDAFED PLUS tablet

COUGH EXPECTORANTS AND SUPPRESSANTS(NON-PRES)

BENADRYL ELIXIR 12.5mg/5ml 120ml
BENILYN 12.5mg/5ml syrup 120ml
DELSYM 120ml
ROBITUSSIN 100mg/5ml syrup 120ml
ROBITUSSIN DM 120ml

CREAMS & OINTMENTS(NON-PRES)

BETADINE GEL 90gm, 18gm

DECONGESTANTS(NON-PRES)

AFRIN nasal spray
GENASAL nasal spray
SUDAFED 30mg tablet
SUDAFED SA 120mg time-release capsule

DIABETIC AIDES(NON-PRES)

ACCUCHEK EASY BLOOD GLUCOSE each
ACCUCHEK EASY TEST STRIPS box of 50
ALCOHOL each
AUTOLET each
LANCETS each
MONOJECTOR each

DOUCHES(NON-PRES)

BETADINE DOUCHE 30ml, 120ml

EMETICS(NON-PRES)

IPECAC 30ml

EMOLLIENTS/LOTIONS/LINIMENTS(NON-PRES)

ALPHA KERI BATH OIL 8oz
CALAMINE (see notes) lotion 120ml
CETAPHIL (see notes) cream 460gm, lotion 8oz
KERI (see notes) lotion 240ml
LANOLIN 30gm
NEUTROGENA soap 105gm
NIVEA 2.25oz

GASTROINTESTINAL(NON-PRES)

PEPTO BISMOL 240ml

KERATOLYTICS(NON-PRES)

DUOFILM (see notes) liquid 15ml

LAXATIVES(NON-PRES)

MINERAL OIL 30ml

MISCELLANEOUS(NON-PRES)

CEFASTAT pck of 18

NON- NARCOTIC(NON-PRES)

IBUPROFEN 200mg tablet

OINTMENT BASES(NON-PRES)

ZINC OXIDE ointment 30gm

OTIC PREPS(NON-PRES)

DEBROX 15ML otic solution 30ml

SCABICIDES/PEDICULICIDE(NON-PRES)

NIX 1% cream rinse 60ml

SPACER DEVICES(NON-PRES)

AEROCHAMBER each
AEROCHAMBER W/ MASK each

STIMULANT CARTHARTICS(NON-PRES)

DULCOLAX 5mg tablet, 10mg suppositories

STOOL SOFTENER(NON-PRES)

COLACE 50mg capsule, 100mg capsule
DOXIDAN capsule

URINARY(NON-PRES)

AZO-STANDARD 100mg tablet

VAGINAL PREPS (NON-PRES)

MICONAZOLE 2% VAGINAL CREAM 45 gram

VITAMINS/MINERALS(NON-PRES)

AQUOSOL A ml
AQUOSOL E ml
B-COMPLEX W/C capsule
BREWERS YEAST TABLET tablet
CALCIUM 500mg tablet, 250mg tablet
FEOSOL 5gr
STRESS FORMULA W/IRON tablet
STRESS FORMULA W/ZINC tablet
TERAGRAN M tablet
VITAMIN C 500mg tablet, 250mg tablet
VITAMIN E 400 IU capsule

OPHTHALMICS
ANESTHETIC

PONTOCAINE 0.5% ophthalmic solution 1

ANTI GLAUCOMA- MIOTICS

ISOPTO CARPINE 1% solution 15ml, 4% solution 15ml, 2% solution 15ml, 6% solution 15ml, 3% solution 15ml, 0.5% solution 15ml
PROPINE 0.1% ophthalmic solution 5
TIMOPTIC .5% solution 5ml, .25% solution 5ml

ANTI-INFLAMMATORIES (OPTHALMICS)

AK-TROL ophthalmic oint 3.5gm, ophthalmic soln 5ml
BLEPHAMIDE ophthalmic oint 3.5gm, ophthalmic soln 5ml
DECADRON .05% ophthalmic oint 3.5gm, 1% ophthalmic soln 5ml
DEXACIDIN ophthalmic oint 3.5gm, ophthalmic susp 5ml
MAXITROL ophthalmic oint 3.5gm, ophthalmic soln 5ml
PRED FORTE 1% ophthalmic soln 5ml

ANTI-VIRAL

VIROPTIC 1% ophthalmic solution 7.5ml

ANTIBIOTICS

CHLOROPTIC ophthalmic soln 7.5ml
GARAMYCIN ophthalmic oint 3.5gm, ophthalmic soln 5ml

DIAGNOSTICS

FLUORESCEIN 2% ophthalmic soln 15ml

IRRIGANTS/LUBRICANTS

DACRIOSE ophthalmic irrigating soln 3
TEARISOL 0.5% ophthalmic solution 1

MYDRIATICS

HOMATROPINE 5% ophthalmic soln 15ml
ISOPTO HOMATROPINE 2% ophthalmic soln 15ml

SULFONAMIDES AND COMBINATIONS

AK-TROL ophthalmic oint 3.5gm, ophthalmic soln 5ml
BLEPH-10 ophthalmic soln 15ml, ophthalmic oint 3.5gm
BLEPHAMIDE 5ml solution, 3.5gm ointment
VASOCIDIN ophthalmic solution 10ml, ophthalmic solution 5ml

OTIC PREPS
OTIC PREPS

ACETASOL otic solution 15ml
ACETASOL HC otic solution 15ml
ALLERGEN otic solution 15ml
CERUMENEX 6ML otic solution 6ml
OTOCORT otic suspension 10ml

OXYTOCICS
OXYTOCICS

METHERGINE 0.2mg tablet

PSYCHOTHERAPEUTIC AGENTS
ANTI-DEPRESSANTS

AMITRIPTYLINE 100mg tablet, 150mg tablet, 75mg tablet, 50mg tablet, 25mg tablet, 10mg tablet
AMOXAPINE 50mg tablet
BUSPAR 5mg tablet, 10mg tablet
DESIPRAMINE 25mg tablet, 50mg tablet, 10mg tablet
DOXEPIN 50gm capsule, 75mg capsule, 25mg capsule, 150mg capsule
IMIPRAMINE 50mg tablet, 10mg tablet, 25mg tablet
LIMBITROL 5/12.5 12.5mg tablet
LUDIOMIL 25mg tablet, 50mg tablet
PAMELOR 25mg capsule, 50mg tablet, 75mg capsule, 10mg capsule
PAXIL 20mg tablet, 30mg tablet
PERPHENAZINE/AMITRIPTYLINE 2/2 tablet
PROZAC 20mg capsule, 10mg capsule, 20mg/5ml liquid
TOFRANIL PM 75mg capsule, 150mg capsule
TRAZODONE 50mg tablet, 100mg tablet, 150mg tablet
WELLBUTRIN 75mg tablet, 100mg tablet
ZOLOFT 100mg tablet, 50mg tablet

OTHER - PSYCHOTHERAPEUTIC AGENTS

ESKALITH 300mg capsule, 450 CR tablet
LITHIONATE 300mg capsule
MYSOLINE 50mg tablet, 250mg tablet
RISPERDAL 1mg tablet, 2mg tablet, 3mg tablet, 4mg tablet

SEDATIVE HYPNOTICS
SEDATIVE HYPNOTICS

ALPRAZOLAM .25mg tablet, .5mg tablet, 1mg tablet
FLURAZEPAM 30mg capsule, 15mg capsule
PHENOBABITAL 15mg tablet, 30mg tablet, 60mg tablet, 100mg tablet
TEMAZEPAM 30mg capsule, 15mg capsule

SMOKING DETERRENTS
NICOTINE REPLACEMENT THERAPY

NICODERM 14mg patch #14, 7mg patch #14, 21mg patch #14

THYROID PREPS
ANTI-THYROID

PTU 50mg tablet

SYNTHETIC

LEVOXINE .05mg tablet, .3mg tablet, .2mg tablet, .175mg tablet, .15mg tablet, .125mg tablet, .112mg tablet, .075mg tablet, .025mg tablet, .1mg tablet, 88mcg, .100mg tablet, 300mg tablet, 200mg tablet, .088mg tablet
SYTHROID .15mg tablet, .175mg tablet, .2mg tablet, .3mg tablet, .025mg tablet, .125mg tablet, .1mg tablet, .075mg tablet, .05mg tablet, .112mg tablet, .088mg tablet

TRANQUILIZERS & COMBINATIONS
BENZODIAZEPINES

ALPRAZOLAM .5mg tablet, 1mg tablet, .25mg tablet
CHLORDIAZEPOXIDE 25mg capsule, 10mg capsule, 5mg capsule
CLORAZEPATE 7.5mg tablet, 3.75mg tablet
DIAZEPAM 10mg tablet, 5mg tablet, 2mg tablet
LIMBITROL 5/12.5 tablet
LORAZEPAM .5mg tablet, 1mg tablet, 2mg tablet

CEREBRAL STIMULANTS

METHYLPHENIDATE 20mg SR tablet, 20mg tablet, 10mg tablet, 5mg tablet

OTHER - TRANQUILIZERS & COMBINATIONS

HYDROXYZINE 10mg/5ml syrup, 50mg tablet, 25mg tablet, 10mg tablet, 50mg capsule, 25mg capsule
MEPROBAMATE 400mg tablet

PHENOTHIAZINES

COMPAZINE 25mg suppository-box of 12, 10mg tablet, 5mg tablet, 5mg suppository-box of 12, 2.5mg suppository-box of 12, 5mg/ml inj. 2ml
THIORIDAZINE 10mg tablet, 25mg tablet, 50mg tablet, 200mg tablet, 150mg tablet, 100mg tablet, 15mg tablet

URICOSURIC AGENTS
URICOSURIC AGENTS

ALLOPURINOL 100mg tablet, 300mg tablet
COL-PROBENECID tablet
COLCHICINE 0.6mg tablet
PROBENECID 500mg tablet

VAGINAL PREPS
CREAMS & OINTMENTS

AMINO CERV CREAM gm
AVC CREAM 15% cream 120gm
PREMARIN CREAM 0.625mg/gm 43gm
SULTRIN (see notes) 78gm
TERAZOL-7 0.4% cream 45 gram

VITAMINS
FLUORIDE PREPS

VI-DAYLIN/F .25mg drops 50ml, 5mg chew tablet, 1mg chew tablet, .5mg drops 50ml, .25mg w/iron drops 50ml, 1mg w/iron chew tablet

PRENATAL

PRENATAL VITAMINS tablet (see notes)

THERAPEUTIC

FERRO-FOLIC 500 TABLET tablet
FOLVITE 1mg tablet

From: [redacted]
Sent: Thursday, February 18, 1999 1:09 AM
To: cclewis@msn.com
Cc: [redacted]
Subject: Corydon meeting

>Date: Tue, 16 Feb 1999 23:19:44 -0800
>To: Tim Lewis R.Ph
>From: [redacted]
>Subject: Corydon meeting
>
>Tim-
>Thank you for meeting me in Corydon. I agree that the opportunities we discussed are "win-wins" for everyone involved. Following are the actions steps we discussed.
>a-provide you with the Kos Territory Manager's name and information.(see below)
>b-send you the ADA position paper and Niaspan patient educational materials.
> I will do this when I get into my office on Friday.
>c.You will include the Kos Territory Manager's name in your general mailing to the Louisville sites advising them that she would be bringing samples to their site. Per our discussion you indicated that this would go out around the 1st of March.
>d.You will provide me with a list of the 5 sites in Louisville that we will be targeting as well as each site manager's name.
>e. You will advise the site managers that I will be contacting them to set up a breakfast in-service for their support staff(RN,NP,PA, MA etc) to provide them with Niaspan information, such as proper dosing.
>Target dates for in-service-Mid March
>f. The Kos Territory Manager will drop samples at the 5 target sites the second week of March. She will advise that P3 has asked her to come in. At this time she will re-inforce proper dosing.
>g. P3 will set up another round of luncheons at the target sites in Louisville. Target dates are latter March. You will contact me with these dates and we will both attend the luncheons.
>
>This should take us into April. You advised that you would let me know about bringing in a speaker at this point.
>
>We also discussed possibly sending Dr. [redacted] to a preceptorship. She is discussing opening a lipid clinc and unfortunately is not Niaspan friendly.
>
>With regards to Deaconess in Evansville, if you can get back to me with the sites you would like to target initially with samples, I will take care of getting them to the physicians personally.
>
>Again, thank you for including me in this opportunity. If you have any further questions, give me a call or e-mail.
>
>Kindest regards,
>[redacted]
>
>
>[redacted]
>
>[redacted]

REDACTED

3 April 1995

Dear Provider,

In December 1994, as you may be aware, Roche Laboratories revised the prescribing guidelines for Toradol. Under the new guidelines, Toradol oral tablets are only indicated as continuation therapy to Toradol parenteral therapy, and the combined duration of parenteral Toradol and oral Toradol therapy should not exceed five (5) days. Also, the dose of Toradol should not exceed 40mg/24 hours of oral therapy. Increasing the dose of Toradol beyond the label recommendations will not provide better efficacy, but will result in increasing the risk of developing adverse events.

To assist you in identifying patients that you might currently have on Toradol, or patients who might be presenting to you for a refill on Toradol, the enclosed printout is provided. This list provides the patient's name, prescription number, date prescription was filled, patient ID number, and number of tablets dispensed. These are prescriptions which you have written that were filled at IPS Pharmacies for Toradol during January 1995 and February 1995.

To assure that the current guidelines are followed, the Pharmacy and Therapeutics committee for PruCare of Orlando has recommended that any prescriptions for Toradol oral tablets be limited to a quantity of 20 tablets with no refills

If you have any questions or concerns, please contact the pharmacy manager of any of the IPS pharmacies.

Thank you for your attention to this information.

Sincerely,



REDACTED

TORADOL (ketorolac): Changes in Prescribing Instructions and Safety Information

Prescribing Instruction Changes: Toradol oral tablets are indicated **only** as continuation therapy to Toradol parenteral (IV/IM) therapy for the management of moderately severe, acute pain that requires analgesia at the opioid level. The combined duration of use of parenteral Toradol and oral Toradol therapy should not exceed five (5) days. Parenteral Toradol may be used as a single, or multiple dose, on a regular or "prn" schedule

Transition from parenteral Toradol to oral Toradol:

- **Patients < 65 years of age**

 If patient received: 60mg IM single dose, 30mg IV single dose or 30mg multiple dose

 Patient should receive: Two (2) tablets as a first oral dose followed by one (1) tablet every 4 to 6 hours, not to exceed 40mg/24 hours of oral therapy

- **Patients ≥ 65 years of age, renally impaired and / or less than less than 50 kg (110 lbs) of body weight:**

 If patient received: 30mg IM single dose, 15mg IV single dose or 15mg multiple dose

 Patient should receive: One (1) tablet as a first oral dose followed by one (1) tablet every 4 to 6 hours, not to exceed 40mg/24 hours of oral therapy.

The maximum combined duration of use is limited to 5 days.

Information contained in Warning Box:

"TORADOL, a nonsteroidal-anti-inflammatory drug (NSAID) is indicated for the short-term (up to 5 days) management of moderately severe, acute pain, that requires analgesia at the opiod level. It is NOT indicated for minor or chronic painful conditions. TORADOL is a potent NSAID analgesic, and its administration carries many risks..... Increasing the dose of TORADOL beyond the label recommendations will not provide better efficacy but will result in increasing the risk of developing adverse events.

GASTROINTESTINAL EFFECTS: Toradol can cause peptic ulcers, GI bleeding, and / or perforation

RENAL EFFECTS: Contraindicated in patients with advanced renal impairment and patients for renal failure due to volume depletion.

RISK OF BLEEDING: Toradol inhibits platelet function and is contraindicated in patients with suspected or confirmed cerebrovascular bleeding, patients with hemorrhagic diathesis, incomplete hemostasis, and those at high risk of bleeding.

HYPERSENSITIVITY: Hypersensitivity reactions, ranging from bronchospasm to anaphylactic shock, have occurred and appropriate counteractive measures must be available when administering the first dose of Toradol (IV/IM). Toradol is contraindicated in patients with previously demonstrated hypersensitivity to ketorolac tromethamine or allergic manifestations to aspirin or other NSAIDs.

INTRATHECAL OR EPIDURAL ADMINISTRATION: Contraindicated due to the alcohol content

LABOR AND DELIVERY: contraindicated because it may adversely affect fetal circulation and inhibit uterine contractions

NURSING: Contraindicated in nursing mothers because of the potential adverse effects of prostaglandin-inhibiting drugs on neonates

CONCOMITANT USE WITH NSAIDs: Contraindicated because of the cumulative risk of inducing serious NSAID-related side effects

Reference: TORADOL (ketoralac tromethamine) Complete Product Information. Roche Laboratories. Revised: 12/94

[Click here and type return address]

[redacted] Medical Associates

March 10, 1999

Participating Pharmacy

Dear Pharmacist:

Please except this letter as my request to substitute therapies of Norvasc with Sular for my patients with hypertension. Upon receipt of a new prescription or refill request of Norvasc please fill the prescription according to the table.

Below are the following dosage conversions:

Norvasc	Sular
2.5 mg	10 mg
5 mg	20 mg
10 mg	40 mg

If you or any of my patients have any concerns or questions please contact my office at, xxx-yyyy

Sincerely,

[Click here and type your name]
[Click here and type job title]

REDACTED

BUSINESS PLAN

FOR

THE JĀSOS GROUP

605 CRESCENT EXECUTIVE COURT
SUITE 300
LAKE MARY, FLORIDA 32746
(407) 585-2121



by: TIM LEWIS, R.PH., MBA
TERRANCE MOORE, MBA

September 18, 2000

Copy 2 of 4 copies distributed

This business plan contains information that is not to be shared, copied, disclosed, or otherwise compromised without the express written consent of the Jāsos Group.

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Executive Summary

Business

The Jāsos Group was established in April 2000 by Tim Lewis and Terrance Moore, as the offspring of an earlier venture. The goal of the firm is to partner with at-risk health care providers to lower their pharmacy expenses, aid physicians in maximizing their wealth, improve patient outcomes, and keep health costs affordable. The Jāsos Group expects to reduce the pharmacy costs, measured per member per month (PMPM), by a minimum of 10% of the clients' current average pharmacy costs. Further, the firm provides expert clinical pharmacy consultation to its clients and benefits only when its Partners realize bottom line improvements from reduced pharmacy costs.

Opportunity

With healthcare costs rising rapidly, insurance companies have passed the management of cost effective healthcare delivery of all services to the providers in the form of managed care capitation agreements. Under capitation agreements, a physician, medical group, hospital or integrated health system receives a certain flat fee every month for taking care of an individual enrolled in a managed health care plan, regardless of the cost of that individual's care. Health plans have frequently cited the rise in pharmacy costs as a reason for poor financial performance. Pharmacy costs are rising at 19% annually, while fees are rising at 7%, and the factors adversely influencing pharmacy costs are getting stronger. These trends include: a 54% growth in Seniors (65 and older) who account for 3 times the pharmacy costs of overall plan members; newer, more expensive drugs to replace older drugs in approved formularies; and a 43% increase in Direct to Consumer drug advertising. With industry average profit margins currently ranging from -3.4% to 8.3%, controlling pharmacy costs can improve the provider's bottom line by as much as an additional 5% - for some this is the difference in being profitable and losing money. When the Jāsos Group reduces the pharmacy costs (PMPM) for its clients, the company receives a commission of 50% of the monthly savings generated.

Target Market

The drug portion for the HMO market alone is estimated at $13.4 billion in pharmacy costs for 2000, with capitated portion of the market estimated at over $8.3 billion. The Jāsos Group is concentrating its efforts on IPA and Group practices that account for almost 83% of all HMO enrollments. The IPA and Group practice markets account for $5 billion and $1.9 billion, respectively. A targeted 10% decrease in pharmacy costs would lead to an IPA and Group practice market values of $500 million and $190 million market. A 50% fee for achieving this reduction provides a combined market value of $345 million annually to the Jāsos Group. These factors, along with the necessity for IPA and Group practice physicians to care for people enrolled in several HMOs, ensure that this market segment has consulting opportunities large enough around which a successful business can be built. The company expects to capture 2.1% of this market over three years.

Competitive Advantage

There are four primary areas that set the Jāsos Group apart from other organizations that claim to manage pharmacy costs; proven methods and practices, unencumbered operations, academic detailing, and risk elimination. Through his tenure as National Clinical Management Information and Reporting Prudential HealthCare, Tim Lewis combined aspects of disease state management financial analyses with national pharmacy utilization trends to develop programs and procedures to successfully impact cost effective prescribing practices. In addition, unlike its competition, the Jāsos Group's allegiance is not with the pharmaceutical industry, so the company can remain committed to the partners, without a conflict of interest. Our consultants, pharmacists and physicians, sit down with physicians and address prescribing prerogatives one professional to another, an impression is made that affects measurable and significant results. Finally, the company bases the fees on bottom line improvements from reduced pharmacy costs. If the company does not save the client money, they own us nothing.

Economics

The Jasos group plans to implement a commission program that pays referrers up to $0.75 a life to help the firm secure target clients. The company feels that this effort will allow us to secure 375,000 covered lives in the first five months of operation. First year sales are expected to reach $2,013,000 on 930,000 covered lives and the company will pay $207,000.00 in total commissions. The second year's sales are anticipated to be $17,562,000.00 on 3,465,000 covered lives. The third year is projected to generate sales of $38,206,000.00 on 6,075,000 lives. Our breakeven sales point is 3,100,000 lives. Net income projections shows a loss of $1,036,000 in Year 1, $4.78 million in Year 2, and $10.77 million in Year 3, with -51%, 36%, and 48% profit margins respectively. The average sales-per-employee reaches $54,000, $244,000, and $347,000 for each of the three years shown.

Management Team

Tim Lewis, R.Ph., MBA, learned the business needs of physicians' practices and the practical aspects of patient care while operating his own community pharmacy. Tim was the National Director for Clinical Reports for Prudential HealthCare's Management Information and Reporting division, providing data for their disease state management programs. Tim is under contract with the Florida Board of Pharmacy as an expert witness. Terrance Moore, MBA, has performed in an operations consulting capacity for the last 11 years, to clients like Nike, Ford, BMW. As VP/GM & COO, started and grew an integration services company to $3.5 million and secured $2.2 million in venture capital. Terrance has provides strategic consulting services to his clients in the areas of strategic planning, business start-ups and spin-offs, business development, and systems/performance measures development for manufacturing and service companies.

Required Capital

For the Jāsos Group to successfully complete its operating plans, an investment of $4.5 million is required. The owners have contributed $37,800 in cash for the business, and are seeking equity financing from qualified investors. The company is looking for $5,000,000 in financing, in addition to the owner's investment, to use as working capital for increased marketing efforts, for additional sales commissions, and for the commencement of blue ribbon activities for an Initial Public Offering (IPO). The company is offering fifteen percent (15%) of all the firm's membership units in return for this financing. The business has already received $100,000 in senior debt in the form of a Small Business Administration loan. This interim financing is a 7-year loan repaid in monthly installments, at a maximum of two percentage points above the prime rate interest, or earlier as cash flow allows.

The Business

Overview

In today's competitive healthcare environment, insurance companies do not have the expertise and time to address all the sources of rising healthcare service costs. Moreover, they must hire personnel or consultants to control hospital, laboratory, pharmacy, therapist, and third party service costs. As such, insurance companies have passed the management of cost effective healthcare delivery of all services to the physicians in the form of capitation agreements. For a fixed monthly fee from the insurance companies, physicians must keep patients healthy or pay the costs for effective healthcare treatment. More often than not, physicians and practice management firms do not know where to begin controlling costs and what actions will yield results. Given this daunting task, physicians and practice management executives alike need an expert who can identify causes of rising healthcare costs in specific areas, specify the actions and information that allow physicians to become more efficient practitioners, and personally monitor progress on a one-to-one level for continuing quality improvement.

Physicians have two choices when seeking an expert. They can go to an outside consulting firm that specializes in cost containment for a few healthcare areas and will charge them an exorbitant fee to perform the service with no guarantee of actual result. Alternatively, they can hire employees who will cost them less initially, but will not be able to provide the broad expertise and problem solving ability that comes with successfully completing many different engagements. Further, "internal consultants" are not seen by their colleagues as objective third parties, as they are subject to their surrounding political environment, and thus, often cannot implement unpopular recommendations.

The Jāsos Group has met the need for a consulting firm that can manage rising pharmacy costs, implement programs to educate and assist prescribers, and base its compensation on realized improvements. By focusing on the fasting growing threat to capitated healthcare – pharmacy costs, the Jāsos Group will be addressing a growing market and expects to capitalize immediately on the demand for its services. The mutually beneficial expertise and experience of the owners assure prospective customers that all of their pharmacy utilization management needs are be met with a defined service methodology and on a consistent basis. In expanding its service capabilities, the Jāsos Group will improve its service to new and existing customers, while improving its competitive position in the healthcare industry.

Description of the Business

The Jāsos Group is a firm that partners with at-risk health care providers to lower their pharmacy expenses, improve patient outcomes, and keep health costs affordable. The Jāsos Group provides expert pharmaceutical consulting services to physicians to aid them in maximizing their wealth and improving patient care within capitated and risk share arrangements.
The Jāsos Group provides all aspects of pharmacy utilization management services, such as: pharmacy budget allocation analysis, by doctor, patient, and drug; formation of a strategic and tactical plans; consultation, education, and review of prescribers; methods for prescribers to address patient demands for advertised drugs; multiple

formulary management techniques; and coordination with select pharmaceutical manufacturers and disease state management organizations to promote utilization of more cost-effective drugs, where appropriate.

The type of engagements that the Jāsos Group presently services consists of capitated plans that accept pharmacy risk and cover over 13,000 lives. Once the client has been qualified and accepted through a Competitive Pharmacy Practice Review©, The Jāsos Group expects to reduce the pharmacy costs, measured per member per month (PMPM), by a minimum of 10% of the clients' current average pharmacy costs. The plans with the most covered lives and the highest PMPM costs are the initial targets for the firm. The Jāsos Group expects the news of the savings, via industry newsletters and public relations releases, to help generate word of mouth business. Further, The Jāsos Group is utilizing a commission structure to pay influential healthcare industry professionals to set up meetings with the key decision makers of the target clients.

The headquarters offices of the Jāsos Group are located at 605 Crescent Executive Court, Suite 300, Lake Mary, Florida 32746. Three offices and an IT room will be required for the partners, an administrative assistant, and systems. A second office location is at 5555 Glenridge Connector, Suite 200, Atlanta, Georgia 30342. A northeast presence will be established either in Richmond, VA (pending a planned acquisition – details later in this business plan), or in Pittsburgh because of the potential clients (MED3000 and Blue Cross/Blue Shield of Western Pennsylvania) and its airline connections. A west coast office will be opened as well, due to the abundance of managed care activity in that part of the country. Phoenix, AZ or Sacramento, CA has been targeted, again for good airports, and both cities are state capitals, improving access to government contracts. Should key personnel be recruited in Phoenix, it would be logical to have the office there. All clinical pharmacists in the field would telecommute, eliminating the expense of myriad small satellite offices across the country.

History of the Business

The Jāsos Group is a Limited Liability Corporation that was founded in April 2000 by Tim Lewis and Terrance Moore. It is a financial management consulting firm that specializes in pharmacy cost avoidance to:

- Management service organizations
- Physician practice management companies
- Independent group and network physician practices
- Hospitals with independent practice associations or provider sponsored organizations
- Managed care organizations
- Pharmacy benefit management companies

The genesis of the Jāsos Group started while Tim Lewis was the clinical coordinator for Prudential HealthCare. Tim's position at Prudential required him to review and analyze pharmacy claims data to in effort to control drug costs. Tim was successful in decreasing the drug costs by as much as one-third for many plans by dealing directly with physicians with the highest pharmacy costs. Consistent feedback from these physicians indicated their desire for someone to work "on their side" to manage pharmacy costs, reflecting the growing animosity between health care providers and managed care. In mid 1998, Tim discussed the feasibility of a pharmacy management consulting firm with his superior at Prudential, Frank Correll. Unbeknownst to Tim, Frank and two other Prudential employees had started Physician Pharmacy Practices, Inc. (P3) that was doing what Tim had planned. Before a marketing campaign could be mounted, P3 had acquired two clients the first month, taking care of 40,000 patients. Instead of competing, Tim was offered and accepted an ownership position with P3 in the autumn of 1998.

There were, however, some fundamental flaws in the operation of P3. With the exception of Tim, none of the principals had any experience as self-employed professionals. The contracts they had executed with their clients,

before Tim's arrival, assured crippling cash flows, no due diligence, and generated only half the revenues that could have been attained. As a result, working capital became scarce. The original three principals were reluctant to seek out venture capital because of loss of control of the company, and they rejected the notion of infusing additional personal capital into the business.

In March of 1999, P3 was sold to physician network company. The physician network company made the acquisition in the belief that it would enhance its chances of obtaining venture capital. When the final P3 contract expired in November 1999, the new owner decided not to pursue pharmacy management since it was not part of their core business. In March of 2000, Tim left the physician network company to rededicate his efforts to making his ideas for a pharmacy management consulting firm a reality.

Tim Lewis and Terrance Moore were brought together by Tim's sister, who worked for Terrance at a multi-million dollar robotics firm on the Space Coast of Florida. Terrance had done some cursory consulting for P3, and had assisted in searching for some type of financing for the company. Tim contacted Terrance to see if he had had any interest in reviving the P3 model and restructuring it into a more profitable entity with a sound business plan. The decision was made in April to move ahead, operating as the Jāsos Group, LLC.

Management Team

Tim Lewis, R.Ph., MBA

Since his graduation from the University of Pittsburgh's School of Pharmacy in 1975, Tim has gained experience in many different fields of his profession. For ten years, he operated his own community pharmacy in central Florida. While in private practice, he worked closely with area physicians, learning the business needs of their practices and the practical aspects of patient care. During that time, Tim was also president of JCTS, Inc., a leasing and commercial real estate development venture.

After selling his pharmacy practice in 1989, Tim became Senior Pharmacist for the medical practice regulatory agencies of the State of Florida. His duties included conducting inspections and investigations of retail pharmacies, hospitals, correctional facilities, and physicians' practices. During his tenure with the State of Florida, Tim also became a member of the Legislative Affairs Committee of the Florida Pharmacy Association, and a member of their continuing education faculty. In that capacity, he addressed pharmacists as part of their regulatory update seminars for accredited continuing education. Today, Tim is under contract with the Florida Board of Pharmacy as an expert witness.

Tim entered the managed care arena in 1993. He started as pharmacy manager in a group model facility for Integrated Pharmacy Solutions in Orlando, Florida. One year later, Tim was promoted to clinical pharmacy coordinator to implement a formulary and assist in managing the pharmacy benefit for the plan's newest client, Walt Disney World. The following year, Tim was promoted to clinical pharmacy coordinator for Prudential HealthCare for all Florida plans, and shortly thereafter, for the Southeast region. It was at this time that Tim also became involved in drug utilization for Prudential HealthCare's 50,000 Medicare risk members in the region. He was responsible for implementing a number of pharmacy-related intervention programs designed to provide optimal health care while keeping health care costs affordable. Programs dealing with polypharmacy, asthma, migraine, acid peptic disease, and obesity are just a few examples of the interventions Tim implemented. Physician education and patient awareness were the critical factors in the success of these programs. In early 1998, Tim became

national director for clinical reports for Prudential HealthCare's Management Information and Reporting division, providing data for their disease state management programs.

Tim received his MBA in 1998 from the Orlando campus of the University of Phoenix. Tim has also been a member of Prudential HealthCare's National Pharmacy and Therapeutics Committee from 1994 through 1998. He has been a curriculum advisor for the School of Pharmacy of the University of Florida. Tim is licensed to practice pharmacy in Florida, Pennsylvania, and Nevada, and is a licensed Consultant Pharmacist in Florida. He is also an ophthalmologic pharmaceutical consultant to Allergan Pharmaceuticals. Tim is a member of the Academy of Managed Care Pharmacy, the American Society of Health-System Pharmacists, and the American Society of Consultant Pharmacists.

Terrance Moore, MBA

Terrance Moore provides strategic consulting services to his clients in the areas of strategic planning, business start-ups and spin-offs, business development, and systems / performance measures development for manufacturing and service companies. He has over fifteen years of business experience, including more than four years at the Chief Operating Officer level. Terrance has also held roles as a Vice President/General Manager and Chief Financial Officer for a high-tech company, Mission Lead Engineer for the first and second United States Microgravity Payloads that flew aboard the NASA Space Shuttle, and as a private consultant.

His strategic consulting services have recently included his leadership in completing a business plan to spin-off a $25MM Lockheed Martin Division into a stand-alone company. Terrance has also increased the production capacity of a $28MM Pre-IPO manufacturing company, that allowed it to increase sales by $2 MM annually, decrease inventory by $750K and increase cash flow by $1.3MM.

He has held positions of Chief Operating Officer, Vice President/General Manager and acting Chief Financial Officer for a high-tech Robotics company where he led 13 employees and 10 contractors to consult with Fortune 500 companies, complete custom systems and grow project sales from $48K to $3.5M in four years. Terrance has developed effective systems and associated performance measurements for key business processes, including marketing, operations, service delivery, and finance. He led the creation of a Corporate Business Plan with Proforma Financials that gained the interest of Venture Capital Groups and was funded for $2.2MM. He has successfully structured partnership agreements with customers and suppliers, as well as streamlined the supply chain for his company and others. Terrance has successfully sold to and negotiated with Fortune 500 Senior Executives from Nike, Ford, BMW, Ball Corporation, and Dexter Shoe Company.

Terrance holds a B.S. in Mechanical Engineering from the University of Florida and a MBA from Rollins College with a concentration in Business Development. He is a facilitator for the Theory of Constraints Thinking Processes (Jonah) and has additional training in Project and Production Management processes by the Avraham Goldratt Institute.

Advisory Board

Members of the Advisory Board have been selected based on their experience in various areas of managed care, and the contributions they will be able to make in steering the company's efforts in the right direction.

Renwyck Elder, R.Ph., MBA
Mr. Elder is an Executive Vice President with PCS Health Systems in Scottsdale, Arizona. He was invited on the Board due to his knowledge of the pharmacy benefit management industry, a future target market for the Jāsos

Group. Expertise in this area is needed, since this is where all the data resides, and data is the underpinning for all cost management operations. PCS recently merged with another company, Advanced Paradigm, forming the second largest pharmacy benefit management company in the country.

Phillip Parker
Mr. Parker is the Director of Managed Care Operations for PhyCor, the largest physician practice management company in the nation. The company feels having Mr. Parker as an advisor not only allows access to the corporate culture of a major client, but will also permit entrance to many lucrative clients during the start-up phase and beyond.

Armando Fuentes, MD, MBA
Dr. Fuentes is a medical director for the Florida Hospital system in central Florida. He deals with cost containment issues and fellow physicians on a daily basis. Dr. Fuentes is well versed on the structure and inner workings of managed care, and its impact on primary care providers. His input allows the company to gain valuable insights on the best way to work with physicians, incentivize and motivate them, earn their trust, and reach the collective financial goals.

John Vretas
Mr. Vretas is chief executive officer of Baycare Health Care, an HMO in the Tampa area. Before becoming CEO of Baycare, he was a senior vice president with Aetna/US Healthcare. Mr. Vretas was recruited because of his managed care background and his success at quickly turning around Baycare, an operation in deep financial trouble when he arrived, but now a profitable and growing health care force in the bay area.

Tim Wissman
Mr. Wissman is a national account executive for Merck & Co. He has a vast amount of knowledge concerning all the target markets of the company, and has access to the decision makers of prospective clients as well. He also affords expertise in launching new products and services at a national level. Mr. Wissman is also able to provide reactions to the company's efforts from the pharmaceutical industry perspective.

With the infusion of venture capital, the Board of Directors would be expanded. Targeted individuals with expertise in managed care, banking, computer hardware and software, and government would include:

- William McQuire, CEO, UnitedHealth Group
- James Hance, Jr., CFO, Bank of America
- Michael Rose, CIO, Hewlett-Packard Company
- Eric Miles, Sr. V.P., Sybase, Inc.
- Representative John Mica, 7th District, U.S. Congress

Advisory Support

The following firms and individuals provide service and counsel to the Jāsos Principals on a variety of business matters. They were chosen for their status as leaders in their field. As they are all located in Orlando, additional information on these firms and individuals can be provided upon request.

Accounting Firm: Parks, Tschopp, Whitcomb & Orr
Accountant: Tom Whitcomb, CPA, Partner
Corporate Attorney: Moran & Shams, P.A.
Counsel: Maurice Shams, J.D.

Patent Attorney: Allen, Dyer, Dopplet, Franjola & Milbrath
Patent Counsel: Jeffrey Whittle
Copyright & Trademark Counsel: Ava Dopplet

Management and Operations

The company is managed jointly by Tim Lewis and Terrance Moore. Tim, as the health care professional, is responsible for all clinical strategies and research, identifying and contacting clients, and working with client physicians. Tim also takes care of hiring new professional staff and monitoring their performance. Terrance carries out the strategic planning, operations, and develops the marketing and sales programs for the company. Both partners collaborate on the financial management of the organization. The resumes of the partners are found in Appendix I.

Experienced personnel in key positions are critical to the success and growth of the company. Three pharmacists with backgrounds in managed care pharmacy management have been targeted as candidates to run operations in various areas.

- Frank Correll, R.Ph., currently pharmacy director for United HealthCare, Atlanta, GA. He has over 12 years experience in managed care, most of that time spent in upper management positions. All clinical personnel would report to Frank.
- Joseph West, R.Ph., manages clinical pharmacy services for Caremark in Richmond, VA. He has worked in managed care for almost 15 years. Joe would be in charge of customer relations and liaison to strategic partners. In the event the acquisition of a data systems firm occurs in Richmond, Joe would be called upon to manage that operation as well.
- Mark Binus, R.Ph., MBA, is pharmacy director for a privately held cardiac care health system in Phoenix, AZ. He has been in pharmacy practice for over 25 years. Mark would supervise all clinical programs and research evidence-based treatment protocols for clients.

Other possible additions to the management staff could include some current board members, such as Renwyck Elder in charge of information technologies, and Phillip Parker to oversee contracting and provider relations.

With the current political climate focusing on drug costs and prescription coverage, there is a need for an individual who is well versed in seeking out and bidding on government contracts to manage pharmacy. This person would also serve as a lobbyist to educate state and federal legislators on how their respective budgets would benefit from the efforts of the Jāsos Group.

The structure of the management team is illustrated below.

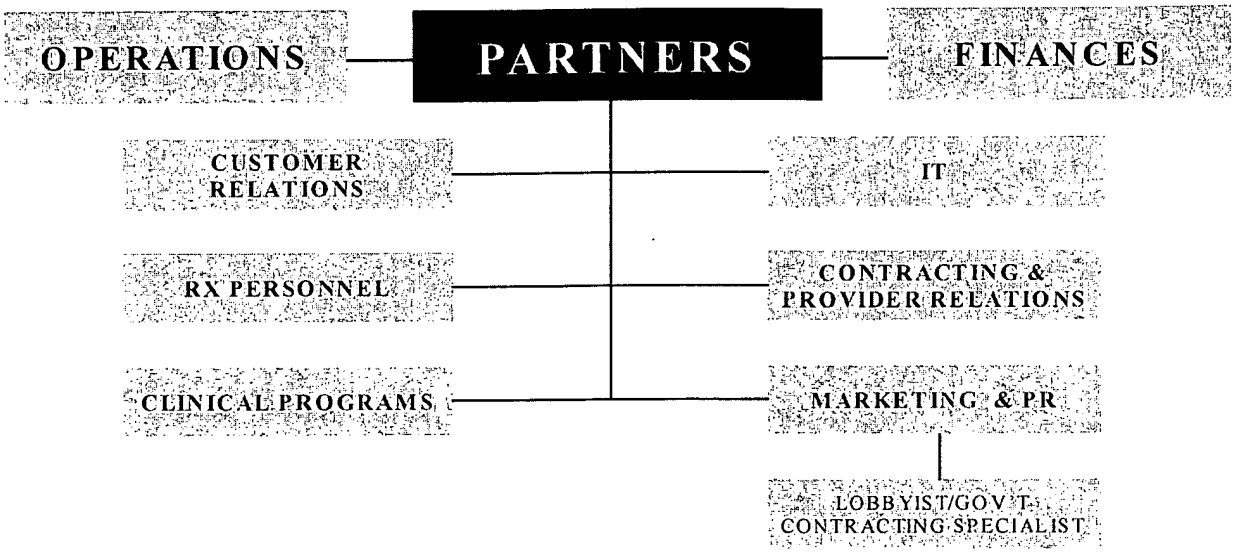


Figure 1. Jāsos Group Management Chart

To further augment the efficient expansion of the company, recruiters will be employed to assist in bringing the most qualified people into the operation. Search organizations such as Pam Pohly Associates and MedCareers that specialize in finding managed care professionals would be contacted to seek out clinical pharmacists.

The operation of the Jāsos Group can be broken down is a series of steps. The following is a detailed description of these steps in chronological order,

Step 1. Identification of prospective clients. As mentioned in the Market Analysis, the target clients (in order of priority) are physician practice management companies, management services organizations, physician-hospital organizations, independent physician associations, group practices, and pharmacy benefit management companies. The initial listing was gleaned from a database developed by Dorland Data Networks (www.dorlandhealth.com). This database includes all of the above mentioned clients, along with an indicator showing whether the client accepts pharmacy risk. From this database, Jāsos Group derived approximately 300 clients. In addition to the database source, addition clients were identified from daily Internet sources, specifically wire services (PR Wire and BizWire), the Wall Street Journal, and a variety of managed care links. To augment the identification process, a commission plan has been devised that has formed an ad hoc sales force of industry professionals. The terms of the commission offer are located in Appendix III. To date, fifteen copies have been mailed directly to individuals who have numerous contacts in the health care industry. The commission offer is also posted on the company's website.

Step 2. Initial contact. In introductory letter are mailed to prospective clients. A copy of this letter can be found in Appendix IV. Approximately thirty letters are mailed at three-week intervals. This allows sufficient time for follow-up telephone contacts after receipt of the letter, and accurate tracking of the calls. Obviously, the goal of the calls is to set up a meeting for a face-to-face meeting.

Step 3. Presentation. Once a meeting has been set, a presentation is delivered to the decision makers of the client. At the conclusion of the presentation, information is collected about the client using the Competitive Pharmacy Performance Review©. This determines if the client is a viable candidate for the services.

Step 4. Competitive Pharmacy Performance Review© (CP²R). The Review is a due diligence process designed to ascertain (a) if the client is of a sufficient size (13,000 or more lives) to be profitable to the Jāsos Group, (b) if the client can deliver the required data in a timely manner, (c) if the client's current pharmacy costs are high enough where Jāsos Group can effect a profitable change, and (d) if the client is financially sound enough to remain a going concern throughout the duration of the agreement. Once these criteria are met, a second meeting is scheduled to review the findings and present a proposal and an agreement.

Step 5. Pharmacy Management. Upon execution of the agreement, the Jāsos Group begins work within 24 hours. The actual operation of the company is divided into two processes, data mining, and physician interaction.

The steps and requirements for the data mining procedure are outlined below:

Inputs

1. Monthly, the client provides Jāsos Group with pharmacy claims data, number of covered lives, and demographic information about physicians.
2. Jāsos Group obtains average wholesale pharmacy cost data from First Databank with monthly updates
3. Jāsos Group develops a substitution table customized for each client. This table shows recommended changes on the physician report cards.

Work Product

As a result of the data mining, the following documentation is generated for tactical planning for Jāsos Group, and informational purposes for the client.

a. Two hard copies of the Internal management Report which shall contain:
 (1) High Cost Patient Reports
 (2) Physician Report Cards
 (3) Physician's PMPM Performance
 (4) Top 50 Prescribers
 (5) Pharmacy Cost Management Report

b. Patient Chart Inserts that address no fewer than three of the highest cost drugs per the monthly data.

c. Individual Physician Report Cards for the top 20% practitioners

Safeguards have been installed in this procedure to avoid manipulation of data by the client, and to circumvent recalcitrant physicians whose activities would adversely the company's revenue.

The second part of the operations process, physician interaction, may more easily be illustrated by the flowchart on the following page. Each step in this process is designed to decrease the client's pharmacy costs as rapidly as possible, while taking advantage of intangibles such as peer pressure and the establishment of personal relationships.

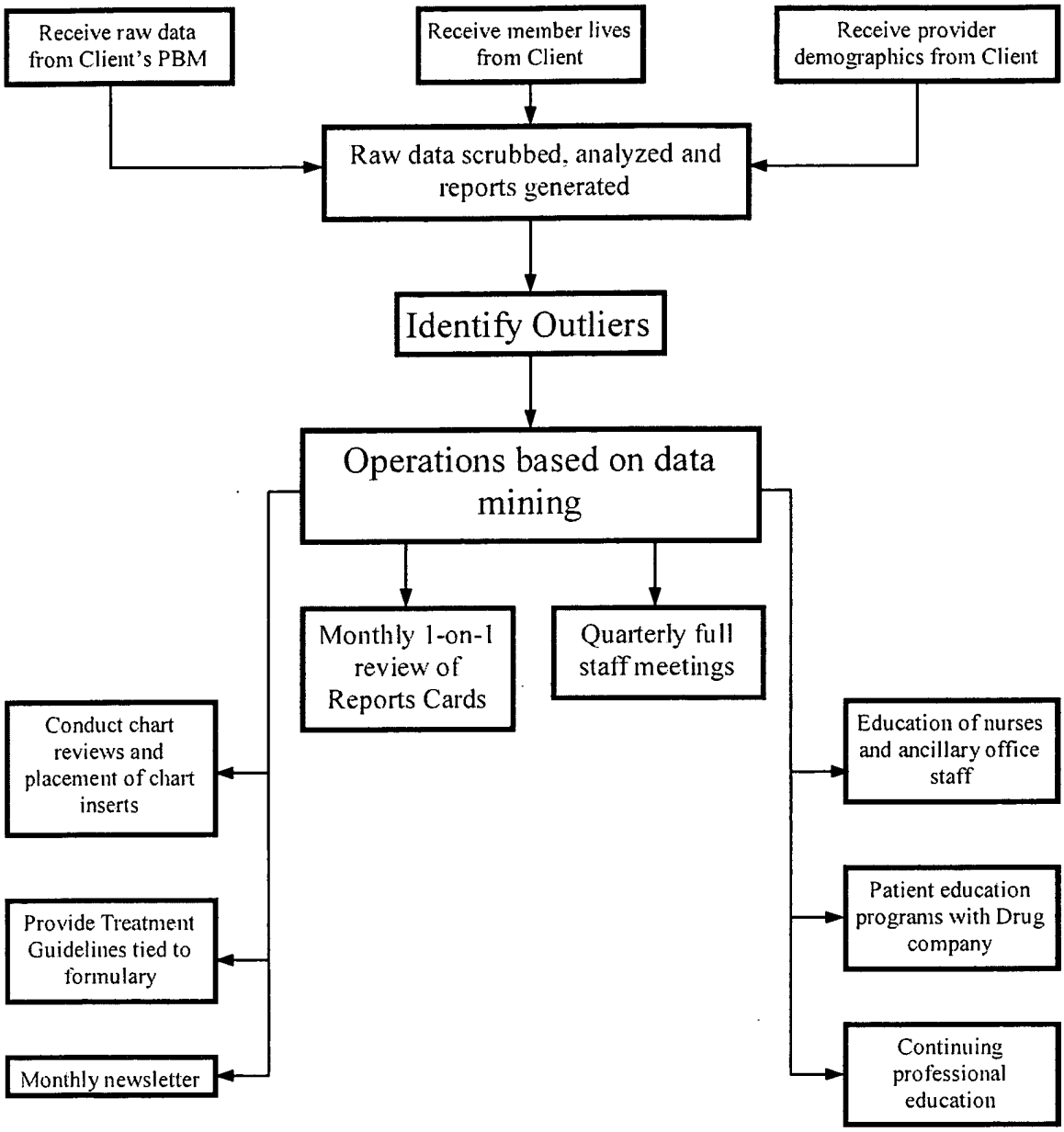


Figure 2. Overview of Pharmacy Utilization Management Services

Once all the data is collected, (top three boxes), it is collated, scrubbed, then reviewed by a clinical pharmacist. All data is manipulated and stored in–house. The analysis of the data determines all the following processes, and where extra resources need to be focused. With a new client, a staff meeting is held to inform providers of where they now stand financially, where they could be, and how they can get there. A review of all findings is conducted, with full disclosure about how the programs work and what will be expected of them. After this meeting, appointments are made with individual physicians at their offices who are identified as outliers. Parallel activities include all the boxes to the left and right of data mining box. Approximately 40 man-hours are expended monthly for each client up to 125,000 lives.

Regulations and Licensing

The following permits and licenses have been submitted in order for the Jāsos Group to commence business:

- Permit to Conduct Business in the City of Lake Mary, September 5, 2000

- Permit to Conduct Business in the County of Seminole, September 5, 2000

There are no special provisions or regulations required for the operation of the Jāsos Group, other than the general laws required for any businesses to operate in the city of Lake Mary, in the state of Florida. Nonetheless, the Jāsos Group has remained informed of, and will continue to remain current with and adhere to, any and all of the laws and regulations that apply to and affect its business operations.

Objectives

In its quest to achieve market leadership, the Jāsos Group has set its objectives on expanding its client base as rapidly as possible. The Jāsos Group aggressively targets all major health care providers with pharmacy risk contracts. During the first year of its agreements with clients, the Jāsos Group works to minimize pharmacy costs. Once that goal is reached, the offering to clients involves maintaining cost control with the addition of managing non-compliant patients (patients who do not take their medications as prescribed) and polypharmacy (patients who take too many medications). By addressing these adverse aspects of drug therapy, substantial savings can be realized by the avoidance of drug-related hospitalizations, and major contributor to overall health care costs.

This strategy allows the Jāsos Group to retain its client base while acquiring new clients for its cost management portion of the business. It also affords the opportunity for horizontal expansion into cost management for other segments of the health care industry. Hospitals, who are currently experiencing smaller profit margins, are the first targets.

The Jāsos Group is also establishing strategic alliances with organizations that are be mutually beneficial, both financially and from increased exposure. Reciprocal Marketing Agreements have sent to Certified Diabetic Services, Inc (CDS), a diabetes disease state management firm in Naples, Florida; Airbots, Inc., an Internet data management company in Houston, Texas; and to JeSTARx, a health care communications group located in Athens, Georgia. Other alliances will be formed as needs and technologies progress.

Vertical growth is essential to the company's future plans. To achieve this goal, acquisitions will play a major role in the company's activities. There are two primary areas of acquisitions that will be explored.

INFORMATION SYSTEM COMPANY

All services and revenues are entirely dependent on data mining and analysis. With the rapid growth anticipated, cutting-edge data retrieval, manipulation, and storage systems must be used. In the classic build-or-buy scenario, buying may be the more financially sound option in this case. By purchasing an IT company, not only are the people and systems obtained, but also the book of business the company already services. In addition, the time factor involved in researching and setting up systems with the build option would be too long and cripple operations during this phase. There are also the non-capitalized expenses to be evaluated when building a data repository, such as consulting, training, and support over the course of the first year's operations.

Two companies identified as likely acquisition opportunities are:

- Heritage Information Systems, Inc., in Richmond, VA. This company,, owned by a pharmacist, has as its core business pharmacy auditing services for state Medicare programs. However, they do perform some data analysis for disease state management programs very similar to what the Jāsos Group does. All technology was Sun Microsystems with the capability for rapid expansion with uninterrupted service. The company currently has a staff of approximately 15 people.
- Resolution Health Strategies of San Jose, CA. This company, located in the heart of Silicon Valley, uses state-of-the-art technology and a "matrix cube" relational database for its data mining procedures. This allows for drill-down analysis of pharmacy data on a physician-by-physician basis in the field. All information and reports are provided in CD-ROM format. Staff consists of approximately 10 people.

COMPETITORS AND COMPLIEMNTORS

In the case of any acquisition, stringent non-compete terms will be included in any sales agreements, especially in the following cases.

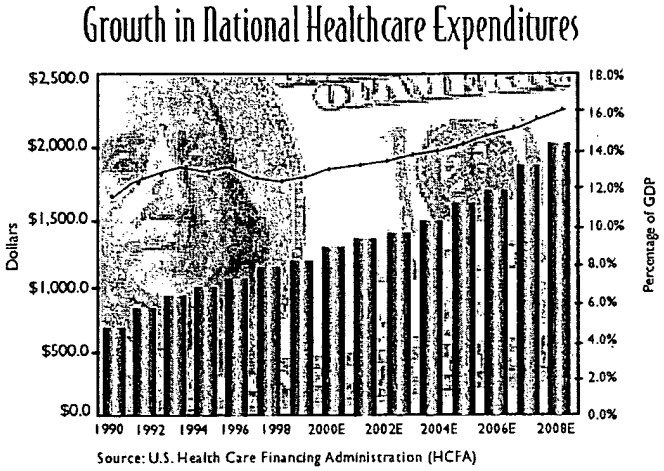
- Pharm-ED of Leominster, MA. This is a one-man undertaking operated by Elliott Feinberg, MD. Most of his business is centered in the New England states. The goal would be to acquire Dr. Feinberg's current clients, and retain his services as resident physician for the company.
- The Pharmacy Group, LLC, located in Glastonbury, CT. This company is owned and operated by two pharmacists. Clinical pharmacists are hired as part-time contractors on an as-needed basis. Upon acquisition, the company's book of business and stable of pharmacists would be retained.
- Any independent clinical pharmacist. If the size of the practice meets the criteria of the Jāsos Group, the pharmacist serving the practice will be offered a price for the practice, and a clinical staff position with the company if it suits the company's needs. The goal is to eliminate these types of operations, and ultimately dominate this market.

Given the growth projections and potential for increased revenues, an initial public offering will be planned during the first quarter of the third fiscal year.

Market Analysis

Market Overview

In the 1980s, employers and governments chose managed care as the preferred vehicle for cost containment. By the mid-1990s, physicians and patients alike were resisting the restrictions that managed care appeared to have placed on them. While managed care is given credit for slowing health care cost inflation from 1993 to 1997, many physicians and patients see themselves as engaged in a power struggle with managed-care plans. Since then, the business of healthcare in a managed care environment has been tenuous at best, with less than a third of all HMOs showing a profit, the growth of physicians incomes declining 76%, and healthcare inflation that has grown to $1.3 trillion or 14% of the national Gross Domestic Product. The healthcare industry has experienced more losses, restructuring, and bankruptcies than ever before due to rising healthcare costs within a managed care environment.



Over the last few years, the managed healthcare industry has taken a major turn in risk management. The major health insurance companies and managed care organizations have begun shifting the risk of health care costs to the physicians. Managed healthcare and the growth of HMOs are the predecessors of risk sharing and risk shifting to physicians. The national managed care enrollment for 1999 reached 67.1% of 270.3 million overall healthcare enrollees, with 181.4 million patients (or covered lives). Out of the total nation managed care enrollment for that year, 79.3 million or almost 44% of patients opted for HMO coverage.

National Managed Care Enrollment 1999		
HMO	79.3 million	43.7%
PPO	89.1 million	49.1%
EPO	13.0 million	7.2%
Total	181.4 million	100.0%

Source: 1999 Managed Care Fact Sheets

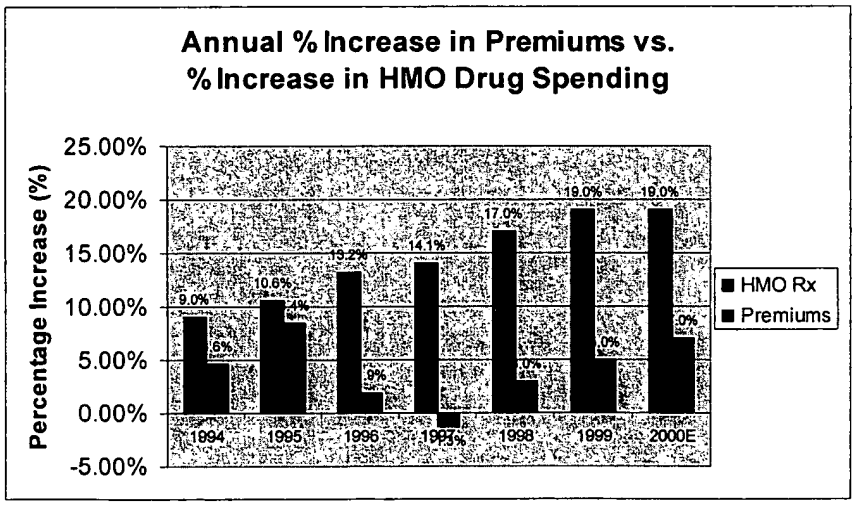
Opportunity

With healthcare costs rising rapidly, insurance companies have passed the management of cost effective healthcare delivery of all services to the providers in the form of managed care capitation agreements. Under capitation agreements, a physician, medical group, hospital or integrated health system receives a certain flat fee every month for taking care of an individual enrolled in a managed health care plan, regardless of the cost of that individual's care. Capitation exists in many variations representing varying levels of risk, from fee-for-service capitation to fees for total healthcare costs - global capitation.

It is estimated that 33% of all providers are under global capitation agreements. It is also estimated that more than 80% of primary care physicians associated with managed care are at some financial risk for the care they give. With the lure of gaining control over prescribing practices and the dollars they believe cost-effective healthcare represents, providers see an opportunity to increase their monthly revenue and to gain control over a larger portion of the medical dollar.

However, according to PriceWaterhouseCoopers, 10 percent of capitated medical groups in California are operating under Chapter 11 protection, while one-third of capitated medical groups are at or near bankruptcy. The cause: Doctors are not able to cover the operating costs of their practices based on the reimbursement rates of these risk arrangements. The biggest culprit is rapidly growing pharmacy costs. With industry average profit margins currently ranging from -3.4% to 8.3%, controlling pharmacy costs can improve their bottom line by as much as an additional 5% - for some this is the difference in being profitable and losing money.

Pharmacy Costs



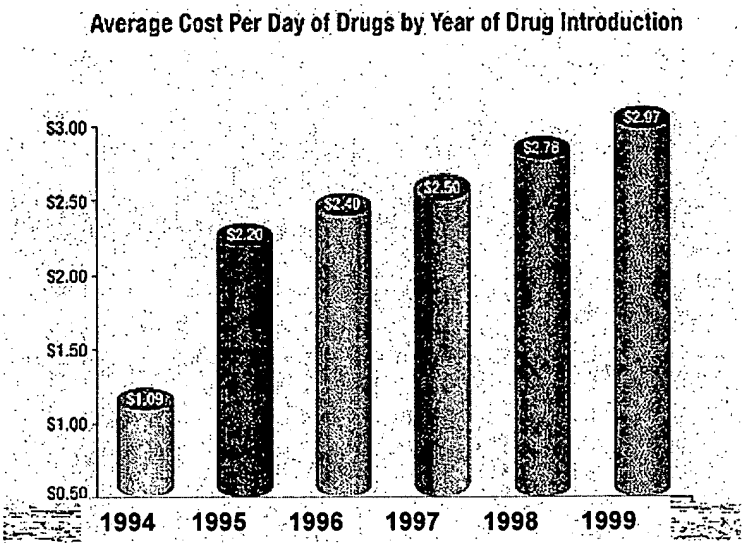
Source: HCFA & Lehman Brothers

With over 90% of managed care patients having a pharmacy benefit, someone from the insurer to the physician is incurring most of the pharmacy cost. Health plans have frequently cited the rise in pharmacy costs as a reason for poor financial performance. Pharmacy costs are only comprised of two components – 1) the price and 2) the utilization. Utilization involves coordinating how much or how long care is given for each patient, as well as the level of care. The goal is to ensure care is delivered cost-effectively, at the right level, and does not use unnecessary resources. Many drug trend studies, as well as one by the Senate Health, Education, Labor, and Pensions Committee have found that price inflation only accounts for 5% to 6% of total pharmacy costs

expenditures. Therefore, utilization factors must account for the additional 13%-14% of annual cost inflation. In fact, many insurers believe that the physicians are best suited to control these utilization factors. The factors that adversely influence pharmacy utilization and price are as follows:

- New, very expensive drugs are coming onto the market faster than ever before
- The movement to newer, more expensive drugs to replace older drugs in approved formularies
- Increased utilization of drugs to replace surgery and other treatments
- A 54% growth in Seniors (65 and older) over the next 20 years
- Seniors account for 3 times the pharmacy costs of overall plan members
- Physicians treat more and more patients from an average of 6 different MCOs, all with different policies and prescribing protocols
- Patient medication histories are not always readily available at the time of prescription
- Direct to Consumer marketing has increased to $1.8 Billion, a 43% increase from 1998 to 1999 and has made patient demands a major part of the prescribing process

Merck-Medco's Drug Trend 2000 Report attributes 30% of utilization growth came an increase in the number of people beginning treatment with a new drug therapy; 34% of growth stems from a greater number of days per year that people are using drugs, and 36% of growth was due to an increase in drug costs per day of therapy.



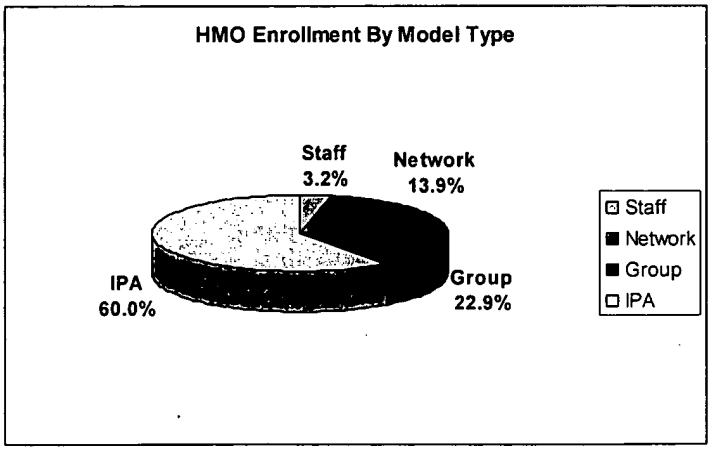
Source: Merck-Medco's Drug Trend 2000 Report

Target Market

The market is any health care entity that is ultimately at risk for pharmacy costs in a Health Maintenance Organization (HMO) environment. More specifically, The Jāsos Group focuses on those health care entities that either cannot or will not employ the services of a pharmacy benefit management company, or develop an in-house clinical pharmacy unit. It is currently estimated that HMOs share 62% of pharmaceutical costs with their medical provider partners in an effort to manage the cost and trend of increasing use of the pharmacy benefit. The drug portion for the HMO market alone was estimated at $11.4 billion in pharmacy costs last year, according to the Novartis Pharmacy Benefit Report and U.S. Healthcare Financing Administration (HCFA) data. Assuming that the 18% growth trend for pharmacy costs holds as predicted for 2000, the at-risk or capitated portion of the market is estimated at over $8.3 billion out of a $13.4 billion total market.

The target clients are those capitated organizations and/or providers who are associated with the following model types:

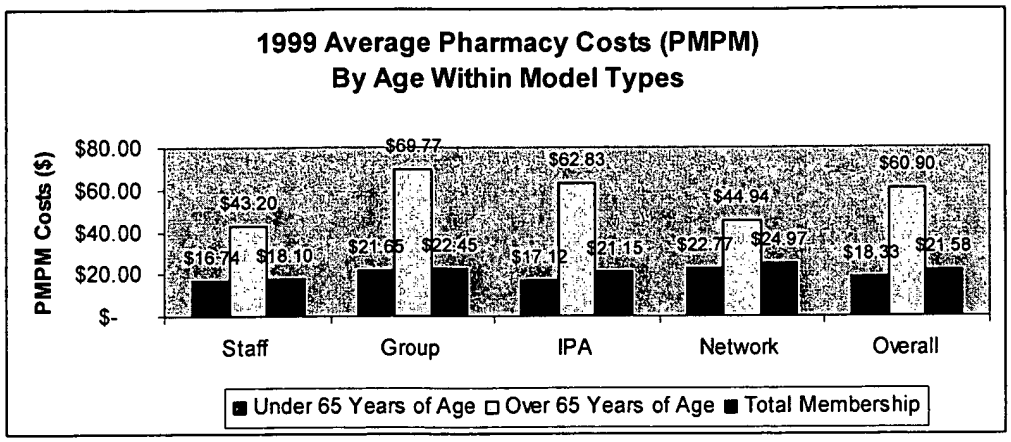
- Physician Practice Management Companies (PPMCs) - 85% Group Practices, 15% IPA
- Management Service Organizations (MSOs) or Network Model – 50% Group Practices, 25% IPA, and 25% Network
- Independent Practice Associations (IPAs)
- Physician-Hospital Organizations (PHOs) or 50% Staff Model, 25% Network, and 25% IPA
- Group Practices



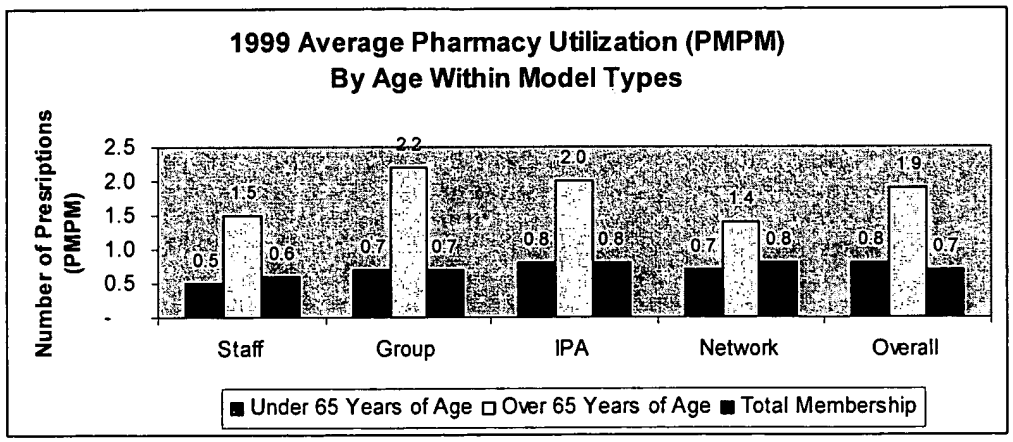
Pharmacy Costs by Model Type

Each model type, and the age differences within each model, has profound effects on pharmacy costs. Understanding the client cost profiles, per-member-per-month (PMPM), is the key to accepting the correct client contracts and saving money for the clients. The following charts below show that average PMPM expenditures vary just over $1.00 between model types and the average utilization varies within 10 prescriptions per 100 members per month.

Age differences, however, account for the biggest differences in pharmacy costs. Members 18 to 49 years comprise almost 50% of membership, those 50 years and older comprise 27.1%, and the balance all the eighteen years and under. However, enrollees 65 years and older comprise 11.5% of the total membership,



Source: 1999 Novartis Pharmacy Benefit Report and HCFA



Source: 1999 Novartis Pharmacy Benefit Report and HCFA

yet account for pharmacy costs **three** times higher than the overall average. Whereas pharmacy costs for overall members averaged $18.60 PMPM, members 65 or older averaged $52.50 PMPM, with a high of $60.15 PMPM for Group plans. Further, pharmacy utilization for members 65 or older averaged 1.9 prescriptions PMPM (190 prescriptions per 100 members) versus 0.7 average prescriptions PMPM for overall members –a 270% increase over the average.

Findings

This data supports the Jāsos Group's decision to concentrate its efforts on IPA and Group practices that account for almost 83% of all HMO enrollments. Assuming that the enrollment percentages are proportional to overall pharmacy expenditures, IPA and Group practice markets account for $5 billion and $1.9 billion, respectively, for a total of $11.1 billion. The Jāsos Group primarily focuses on the IPA practices in order to gain Prime Mover Advantage in a market where average overall pharmacy costs are third highest, but have the greatest total cost differential between members under and over 65 years old. While, IPA practices have the second highest prescription utilization rates, the number of enrollees in this market, 47.6 million, provides the greatest cumulative reduction in utilization rates. Since the Jāsos Group's target is to provide a 10% decrease in pharmacy costs through utilization reduction for the entire IPA membership, that would lead to a market size $806 million and $403 million market value to the Jāsos Group. Further, a 10% decrease in pharmacy costs for the Group practice market would yield a market size $308 million and a $154 million market value, for a combined market value of $ 575 million to the Jāsos Group. These factors, along with the necessity for IPA and Group practice physicians to care for people enrolled in several HMOs, ensure that this market segment has consulting opportunities large enough around which a successful business can be built.

An ongoing effort must be put forth to maintain the advantage the company has in this market. To facilitate this effort, marketing research from firms specializing in the pharmaceutical industry must be procured. Companies such as IMS Health and Scott-Levin, two leaders in this field, will be used to obtain critical marketing data. This will permit the company to concentrate resources in the best geographic and market segment areas to sustain growth. The consequences of bad or incomplete information in any business can spell financial disaster. The investment in timely data, while expensive in the short term, is an excellent hedge against unprofitable surprises in the long term.

Competition

The Jāsos Group has competition in the form of individual pharmacists contracting with provider groups to manage pharmacy. In cases where relationships are well established, it may be difficult to break into some of these markets. Based on the experience, The Jāsos Group estimates that the smallest 5% to 10% of practices, by enrollee size, utilize the services of these pharmacists.

The only serious competitor in the pharmacy risk consulting arena was a company called Total Therapeutic Management (TTM), in Atlanta, Georgia. While attempting to lower pharmacy costs like the Jāsos Group, TTM earned its fees from the pharmaceutical industry. This created a financial dichotomy, since TTM was trying to reduce the revenues of the very companies who were paying them. TTM was recently acquired by Adesso Healthcare Technology Services, in San Jose, California, for an undisclosed figure.

The final area of competition is a client hiring clinical pharmacists as part or full time employees. However, clients who believe bringing clinical pharmacists on staff is a sound fiscal move are mistaken. The following table compares the financial impact of hiring a pharmacist versus the Jāsos Group during the first year of pharmacy cost management for a plan of 100,000 lives. The lost savings during the first six months is the amount of money not saved while the newly hired pharmacist reviews data and formulates strategies. This amount also includes the opportunity cost of the clients' capital for the year, while the clinical pharmacists performs their duties. Client savings are calculated by subtracting the total cost of the employed R.Ph. from the projected pharmacy costs savings.

Comparative Analysis

EMPLOYING A FULL TIME PHARMACIST		PARTNERING WITH JASOS GROUP
Base salary of a clinical pharmacist(s)	$85,000	$0
Payroll Burden	$25,500	$0
Cost of R.Ph.	$110,500	$0
Opportunity cost for one year	$22,100	($22,100)
Salaried R.Ph.	**$132,600**	**($22,100)**
Lost savings during first 6 months	$231,000	$0
Salaried R.Ph.	$132,600	($22,100)
Total cost of employed R.Ph.	**$363,600**	**($22,100)**
Current PMPM	$23.00	$23.00
Current annualized pharmacy costs	$27,600,000	$27,600,000
Est. pharmacy costs with cost management	$27,138,000	$26,854,500
Projected pharmacy costs savings	**$462,000**	**$745,500**
Client Savings	**$98,400**	**$767,600**

Competitive Advantage

There are four primary areas that set the Jasos Group apart from other organizations that claim to manage pharmacy costs; proven methods and practices, unencumbered operations, academic detailing, and risk elimination.

1. **Comprehensive Experience.** During his tenure with Prudential HealthCare, Tim Lewis was responsible for National Clinical Management Information and Reporting. In that capacity, he was able to use the national landscape to accumulate pharmacy utilization data, parse it for root causes and trends, and assess the actions that would yield lower pharmacy costs. Further, he had the additional responsibility of conducting financial analyses of disease state management programs, including prescribing habits for physicians nationally. Only in these joint national capacities could a physicians advocate, like Tim, clearly determine how to financially impact cost effective prescribing. Tim put research to the test when he was faced the task of lowering pharmacy costs under the most adverse of circumstances - working with physicians who had little incentive to pay attention to what drugs they prescribed from the perspective of costs. Because of contractual arrangement with pharmaceutical manufacturers, he was not permitted to divulge the cost of drugs to the physicians. Communications with the physicians was severely limited due to budget constraints. Yet, despite all this, substantial savings were achieved, in one case as much as $18 per-member-per-month within an 8-month period. Tim has also employed the same techniques for his former consulting firm and achieved savings as great as 13% for one of their clients. It is this type of experience and exposure that makes very few pharmacists or firms able to deliver bottom line results.

2. **Allegiance.** While the Jāsos Group is establishing strategic alliances with companies that compliment their offering, it has neither entered into, nor will it seek, any direct fiduciary involvement with any

pharmaceutical manufacturer. As such, the primary responsibility is to the clients and their providers, who must deliver cost effective healthcare. The recently acquired sole competitor of the Jāsos Group, Total Therapeutic Management (TTM), received a portion of its revenues from drug companies. TTM was able to affect drug costs within certain drug classes, but the overall pharmacy costs avoided by these efforts are unclear. By declining allegiances with the pharmaceutical industry, the Jāsos Group can remain committed to their partners, their clients, without inferences of conflict of interest.

3. **One-On-One Encounters.** Some pharmacy benefit management companies and other pharmacy data-mining firms make the claim that they manage pharmacy costs. The procedure they use is mass mailings of summary reports sent to physicians' offices. However, mailing reports to physicians has no discernable impact on pharmacy costs whatsoever. These reports are routinely intercepted by the physician's office manager and filed, or the reports are discarded after being deemed intelligible by the reader. By sitting down with physicians and addressing drug selection and prescribing prerogatives one professional to another, an impression is made that affects measurable and significant results.

4. **Risk Elimination**. Most consulting firms assume that they must profit before their client sees any tangible results from their assistance. The Jāsos Group believes that it is a Partner with capitated providers in achieving a common goal – Providing Cost Effective Healthcare By Lowering Pharmacy Costs. Further, a main principle of the Founders is that only after their Partners realize bottom line improvements from reduced pharmacy costs should The Jāsos Group benefit from the relationship. As such, the fees are based on the performance; if the company do not save the client money, they own us nothing

Customer Profile

The Jāsos Group has created a customer profile to successfully position its business within the health care market place. Managed care has spawned a variety of organizations within which physicians work, including independent practice associations (IPAs), integrated medical groups, companies that manage physicians' practices (PPMCs), physician-hospital organizations (PHOs), and Group practices. Most importantly, the information on each practice's pharmacy management practices was necessary to determine if they met the Jāsos Group's client selection criteria. The client criteria is as follows:

- **No less than 15,000 lives.** This figure constitutes the profit point per client.
- **At-risk for pharmacy costs.** Providers who do not face the financial consequences of indiscriminant prescribing cannot be motivated to change their prescribing habits.
- **Equity or partnership position.** This ties in with being at risk for pharmacy costs. The profits and the future of the practice, as well as their own job security and receiving a return on their investment, are directly connected to cost efficient prescribing.
- **Primary or multi-specialty providers.** In the vast majority of cases, only primary care providers (PCPs) are financially responsible for pharmacy costs in capitated environments. Obviously, this factor makes them the target customers.

IPAs

For several reasons, IPAs are the most numerous of physicians' managed-care organizations. By contracting with IPAs that comprise hundreds of physicians, HMOs can cheaply create networks of physicians. As loosely knit groups of self-employed physicians, IPAs allow physicians to obtain contracts with HMOs without making substantial changes in their practices. Physicians remain in their offices, caring for people enrolled in several HMOs and PPOs, as well as their non-managed-care patients. Due to the demand from consumers who prefer to choose among large networks of physicians, IPAs are growing faster than other physicians' organizations. The proportion of HMO enrollees who participate in IPAs increased from 19 percent in 1984 to 60 percent in 1999.

IPAs come in many shapes and sizes. Those on the West Coast often receive a capitation payment each month from an HMO, and are held financially responsible for most non-hospital expenditures. HMOs often delegate to these risk-bearing IPAs the responsibility to conduct utilization review, the credentialing of physicians, and quality improvement and to decide on physicians' compensation. The costs of covering patients' demands for services, practice management costs and rising pharmacy costs have not kept pace with rates of capitation from HMOs. IPAs tend to distribute all their income to their physicians rather than build up large reserves to cover long-term financial losses.

Medical Groups

Medical groups are medium-sized or large multi-specialty group practices of which physicians are employees or employee-owners. In 1980, there were 141 large multi-specialty groups (each including 50 or more physicians), with a total of 23,000 physicians. In 1998, these numbers had increased to over 400 groups, with more than 90,000 physicians. Sixty-four percent of large medical groups are owned by physicians, 9 percent by hospitals, 17 percent by universities, and 10 percent by other entities.

In the 1980s, several medical groups provided huge incomes for their physicians by negotiating capitation and risk-sharing agreements with HMOs and by reducing expenditures through tight control on the use of hospital services. However, as employers ratcheted down the premiums they paid to HMOs, and HMOs, in turn, reduced capitation payments to medical groups. To preserve their ability to negotiate with HMOs from a position of strength, medical groups believed they had to grow. Most sold their assets to hospital systems or to investor-owned physician-practice-management companies. Although some of the physicians who led the groups earned large sums of money from these sales, the average physician was confronted with new corporate owners.

Physician-Practice-Management Companies

Physician-practice-management companies (PPMCs) are for-profit companies that own or manage physicians' practices and operate in multiple markets. Over the past few years, these entities, such as MedPartners, FPA Medical Management, and PhyCor, have grown rapidly, purchasing physicians' offices, medical groups, and IPAs. Physicians and medical groups can sell their assets to PPMCs for cash or stock or can contract with them to obtain HMO contracts and management services (e.g., billing, purchasing of supplies, personnel management, and information systems). Many PPMCs offer only single-specialty care and make their specialty services available to HMOs, PPOs, IPAs, employers, and hospitals. Others are multi-specialty companies that contract with payers to provide all clinical services. In 1999, there are 84 PPMCs listed with 100 or more physicians under their direction. Over 123,000 doctors are affiliated with these companies.

Physician-Hospital Organizations

Hospitals may form physician-hospital organizations to contract with HMOs and PPOs on behalf of both their own institutions and physicians. In addition, many hospitals have purchased physicians' practices outright, although hospitals have been losing a median of $47,000 per physician per year by doing so. By forming physician-hospital organizations or acquiring practices, hospitals are attempting to enhance the loyalty of their medical staffs and thereby improve or protect their market share. About one third of medical practices with three or more physicians participate in a physician-hospital organization for the care of at least some of their patients. Many physician-hospital organizations, having an excess of specialists and an incentive to keep hospital beds filled, have high medical costs and are financially troubled.

Management Services Organizations

Management services organizations (MSOs) are similar to PPMCs in their form and function. The only difference is in ownership. PPMCs are routinely investor-owned businesses, while MSOs are usually owned and operated by a board of physician partners. In addition, MSOs may own the practice facilities and employ non-professional staff.

The following table shows a summary of some the customers that meet the Jāsos Group's criteria as clients from a few of the industry databases. The number of clients in each type is indicated, as well as the aggregate number of reported at-risk pharmacy lives for the client type.

Customer Profile

Client Type	Number of Clients	Total Lives
IPA	60	2,510,000
Medical Group	63	2,600,000
PPMC	47	1,540,000
PHO	29	770,000
MSO	24	850,000
TOTALS	**223**	**8,270,000**

Source: Dorland Data Networks.

Service

Service Description

The Jāsos Group has the ability to reduce pharmacy costs for clients that operate under pharmacy capitation arrangements. The company is uniquely positioned to provide consulting services to manage pharmacy costs. This observation is based on the experience of the partners in financial management and pharmacy practice, and benefiting from the experience gained by operating the company into which the Jāsos Group evolved. The services that are provided are:

1. Physician education and consultation. The Jāsos Group provides copious input to physicians. This input is delivered by staff meetings, physician report cards, one-on-one consultations, and continuing education seminars. In addition, hands-on tools are made available to prescribers, such as pocket reference guides indicating the therapeutic classes and costs of drugs, and patient chart inserts that provider physicians with talking points to counter direct-to-consumer advertising. Clinical professionals are also available to answer inquiries from physicians about medication selection and the latest information about new drugs.

2. Validation of Pharmacy Data: The most critical component of risk arrangements is the pharmacy claims data. The Jāsos Group analyzes and validates the claims data monthly to insure its validity. This process is critical in the successful management of pharmacy risk. By performing due diligence on this data, it can be determined whether the client is being charged accurately by the managed care organization, that formulary drugs are adjudicating correctly, and that only prescriptions written by client physicians are clearing the system. Management reports, physician report cards, and other ad hoc reports are generated from this data.

3. Management of Formularies: On average, physicians currently have to manage multiple drug formularies from six different insurance companies and/or managed care organizations. This leads to the physician not prescribing the most cost-effective medication. The Jāsos Group evaluates all of the multiple formularies and combines them into one formulary with the most cost-effective drugs being highlighted. In addition, the company develops "disease specific" prescribing protocols to assist the physician in developing cost effective, therapeutically sound prescribing habits. The end results are (1) the physician's choice of drugs is simplified, (2) the most cost effective drug is selected, (3) the physician has complied with the formulary of each health care insurer, and (4) the number of contacts from the health insurance company concerning noncompliance with the formulary has been reduced.

4. Risk Negotiations with Insurance Companies: The Jāsos Group provides the service of assisting the client during negotiations on pharmacy risk share agreements with insurance companies. The partners of the Jāsos Group have "been on the other side of the table" in these type of negotiations. The principals know the variety of risk share arrangements that exist and how to best position the client.

5. Tactical and Strategic Planning: After the data has been analyzed, a sound game plan must be formulated to address the impediments to controlling pharmacy costs, utilization, and improve quality.

Tactical planning involves those activities that convert patients to more cost-effective medications. For the longer term, physician and patient education programs, and addressing appropriate drug regimens and proper use will usually be the areas of focus.

6. Prescriber Tools: Simplifying the process of drug selection after diagnosis is of paramount importance in lowering pharmacy costs. To this end, the Jāsos Group provides prescribers with customized formularies that address all patients that the physicians see. In addition, The Jāsos Group scripts talking points for prescribers when they are faced with patients who demand drugs they have seen advertised in electronic or print media.

7. Evidence-based Medicine: All recommendations made to client prescribers concerning drug selection are made based on extensive research through peer-reviewed literature. This is a proven technique in the practices of medicine and pharmacy, and holds up to challenge, both professionally and legally, quite well.

8. Patient Medication Records: Due to patients seeing multiple physicians, the primary care physician may not be fully aware of all the medications a patient may be taking. The Jāsos Group can parse medication records from the data for individual patients, and provide those records for inclusion in the patients' charts. Supplying this information plays a vital role in reducing adverse drug interactions, a frequent cause of hospitalizations.

9. Coordination of Patient Education: The Jāsos Group functions as a liaison between the clients and major pharmaceutical manufacturers that have products favorably positioned on the client's formulary. By favorably positioned, The Jāsos Group means those drugs that are clinically proven effective and serve as a less expensive alternative to other formulary drugs. The manufacturers provide sample drugs, patient education materials, and speakers for seminars at no charge for the client. The Jāsos Group oversees the manufacturers' activities to assure deliverables are properly handled and programs are executed in the best interest of the client.

10. Strategic Alliances: The Jāsos Group is forming working partnerships with select disease management companies that address those conditions commonly treated by primary care physicians. Conditions such as asthma and diabetes can be more efficiently treated with proper monitoring and patient education. This enhances partner health care savings and the overall pharmacy cost position.

The Jāsos Group does not accept clients whose physicians do not bear some financial risk for their patients' pharmacy costs. Without that incentive, it is extremely difficult to motivate physicians to prescribe more cost effective medications. This is why most managed care organizations (i.e., Cigna, Aetna, AvMed, etc.) are not included in the company's target market. These organizations either assume the risk themselves, or choose not to manage pharmacy costs at all. Managed care organizations that assume their own pharmacy risk routinely do not incentive physicians to lower pharmacy costs, resulting in the physicians' attitude that, "there's nothing in it for me, so why make the effort."

Related Products and Services

The only product or device that would augment Jāsos Group's offering is the hand-held, wireless formulary/prescribing unit. Various firms currently market these devices, similar to a Palm Pilot. However, the company does intend to approach one of these manufacturers to develop a customized unit for its client, with a format of its own invention. This format would display formulary drugs not by therapeutic class as all these units currently do, but rather by disease state. According to physicians informally surveyed during his tenure with a

managed care organization, Tim Lewis determined that this would be accepted with much greater enthusiasm by physicians than to old style formatting.

In addition, an association with an Internet data resource is being explored. Airbots, Inc. (www.airbots.com) is one candidate. The clinical pharmacist at Airbots is a former co-worker and colleague of Tim Lewis at Prudential HealthCare. Another is Healtheon/WebMD, where Tim Lewis' former P3 partner is currently employed as a product director for e-prescribing. The plan is to make the clients' physician prescribing data available to them on the Internet, with the ability to sort the data on-line as they wish.

Alternate Service Distribution

While the Jāsos Group is utilizing a national sales force, partners, and referral sources to introduce and sell its service offerings, an alternate distribution method that is being is explored is franchising. We feel that an opportunity exists to recruit, train, and assist entrepreneur minded clinical pharmacists in starting their own regional consulting businesses. This distribution method provides a few advantages to the Jāsos Group. The first advantage is that it provides a proven revenue model for financing fast growth. Secondly, it provides a means for local grass roots marketing and creation of strong brand recognition nationally. Lastly, the revenue and the strong brand recognition create a strong foundation for an IPO and public exit strategy.

We recognize that while the benefits are very attractive, creating a franchise-able offering requires specialized knowledge to avoid the pitfalls, such as: effective franchisor management, balancing supportive but strict contractual terms, and franchise sales and marketing. We are actively considering and reviewing this strategy and others with the Board while we increase our initial revenues.

Future Services

To break into the managed care organization market, a method must be developed to incentivize physicians who are not at risk for pharmacy costs, and at the same time increase profits for the insurers such as Cigna, United Healthcare, Aetna/US Healthcare, etc. A risk pool design may be able to fulfill this objective. The Jāsos Group would invest a sum of money into a risk pool to cover the insurer's up-side risk. The monthly savings generated from the company's activities would be distributed with 20% going to the managed care organization, 40% to the physicians, and 40% to the Jāsos Group. In the unlikely event the drug costs should increase, the insurer would be funded that amount from the risk pool. For marginal plans, a shared-risk pool would be called for, having both the Jāsos Group and the insurer contributing to the pool. As cash flow permits, this method would open up huge numbers of lives heretofore considered unmanageable in the health care industry.

A method patent for all of the programs and techniques used by the Jāsos Group would be applied for both in the US and internationally. This would protect the company from other entities trying to enter the market, and enforce its domination of the field.

Marketing and Sales

Objectives and Strategies

The Jāsos Group's marketing objective is to capture 2.1% of its target market share over the next three years. This will be achieved through two distinct marketing methodologies. The first is to market directly to the target markets through direct mail and public relations. An aggressive sales campaign is underway to secure meeting dates to present the consulting services to the target client base. The second method concentrates marketing efforts on gaining referrals of influential health care professionals, who have access to the decision makers in the target markets. It is through these initial methods that The Jāsos Group will capture a leading market share and ensure that the firm gains the most lucrative clients right away.

Unique Selling Advantage

The unique benefit the Jāsos Group offers is its willingness to create a Partnership with its clients.
Most consulting firms assume that they must profit before their client sees any tangible results from their assistance. The Jāsos Group believes that it is a Partner with capitated providers in achieving a common goal – Providing Cost Effective Healthcare By Lowering Pharmacy Costs. Further, The Jāsos Group believes that only after the Partners realize bottom line improvements from reduced pharmacy costs should The Jāsos Group benefit from the relationship.

The biggest hurdle to performing consulting services in this industry has been the need for clients to pay up front fees. In light of low profit margins, managed care executives have a difficult time paying limited dollars, without a guaranteed result. The willingness to put the compensation at risk and in proportion to the results delivered makes the service much more desirable to the clients. Further, the need to compare the capabilities with others is greatly diminished, when the client is paying for results and not the time. This type of offering increases the development of strong and sustainable relationships with clients, resulting in a high return business.

Selling Tactics

Presently, Terrance Moore has the responsibility for developing company marketing and sales programs, however, Tim Lewis and Terrance conduct all client meetings and presentations. The principals employ a multi-step direct selling method that culminates with a client assessment that identifies acceptable clients from the rest. The Jāsos Group identifies potential clients who are at-risk for pharmacy costs, have at least 13,000 covered lives, and meet the rest of its customer profile requirements. These leads are gained through industry and association directories, as well as through referrals from industry professionals and the reciprocal marketing partners. After screening potential clients, The Jāsos Group contacts them through direct mail pieces (letters, brochures, and seminar invitations) and follow up all correspondence with telephone calls. The goal with this initial contact is to create client interest and generate a face-to-face meeting with key decision makers. During the meeting, The Jāsos Group

delivers a comprehensive presentation to the client on the methodology and assessment, in order to set client expectations. Lastly, if it is mutually agreeable for the company to proceed, The Jāsos Group sets a time for Tim and Terrance to assess the potential client savings through the Competitive Pharmacy Practice Review© and decide on the viability of accepting the client.

All new client engagements begin with a Competitive Pharmacy Practice Review©. Once The Jāsos Group completes the analysis, the primary task then is to vividly illustrate the imminent financial danger of continuing to disregard pharmacy costs. With industry average profit margins currently ranging from -3.4% to 8.3%, The Jāsos Group can show almost all clients they can improve their bottom line by as much as an additional 5% - for some this is the difference in being profitable and losing money. The Jāsos Group shows each client what savings are possible, quantifying the estimated payback.

Channels of Distribution

Telemarketing

Negations are currently underway with Impact Marketing, of Amherst, NY. This is a company that specializes in the pharmaceutical and health care telemarketing to medical providers. Their objective will be to develop warm leads to the target market. They will schedule sales calls, mail support literature, and perform all necessary follow up to assist in deal closure. A group of telemarketers will be dedicated specifically to the Jāsos Group, who will be responsible for training these telemarketers.

Public Relations

Creation of instant name recognition and industry "buzz" is invaluable in marketing. To this end, the company has contacted a professional public relations specialist to handle public relations and communications. The goal is to have the company name constantly in front of the public, not only in the managed healthcare realm, but in the national lay press as well, appearing in popular and highly prestigious financial literature.

Referral Commissions

The Jāsos Group expects the leads with the lowest acquisition cost to come predominately from word of mouth, as well as, those pre-qualified leads from print advertising in industry journals. Recently the Jāsos Group compiled a list of influential industry professionals, from past businesses, and sent them a commission letter (Appendix III). The response from this mailing has been most favorable, resulting in six potential clients. In order for a referral to earn a commission, The Jāsos Group requires that:

- Referrers are directly involved in the introduction of the Jāsos Group to the decision makers of clients in its target markets and Referrers arranges a meeting with a specific day, time, and the attendees.
- Referrers are expected to continue contacting and providing input to the client during negotiations to expedite the execution of an agreement.
- The clients are physician practice management companies and large network practices (MSOs, PHOs, IPAs, and group practices) with providers who have global or shared risk agreements for pharmacy costs.
- The practices must be primary care or multi-specialty practices that include primary care providers.
- The client must be able to deliver no less than 13,000 lives over the length of the agreement.

- The client must be able to provide at least six months of historical pharmacy claims data before executing the contract.
- The client must meet the criteria as a viable per Jāsos Group's Competitive Pharmacy Practice Review©. This assessment determines if (1) any money can be saved for the client, and (2) the client has the necessary information and resources to support program implementation. If these conditions cannot be met, the Jāsos Group will not execute an agreement with that client.
- The client must execute a one-year agreement within 30 days of the Jāsos Group's Service Proposal for the commission to be binding.

In return, the Jāsos Group agrees to pay a Referrer:

- A commission of 75¢ per covered life for clients covering 25,000 or more lives, when an agreement is executed during August, September, or October of 2000. A commission of 50¢ per covered life for clients covering 20,000 to 24,999 lives, when an agreement is executed during August, September, or October of 2000. A commission of 25¢ per covered life for clients covering 13,000 to 19,999 lives, when an agreement is executed during August, September, or October of 2000.
- A commission of 50¢ per covered life when an agreement is executed during November and December of 2000, and January 2001, for clients covering 25,000 or more lives. A commission of 25¢ per covered life for clients covering 13,000 to 24,999 lives, when an agreement is executed during November and December of 2000, and January 2001.
- A commission of 25¢ per covered life when an agreement is executed after January 2001, for clients covering 13,000 or more lives.
- Ten percent (10%) of the commission is mailed by check within five business days of the date on the executed agreement, with a second check for the balance following within 90 days.

Marketing Partners

Many different companies and organizations sell products and services to the same market that The Jāsos Group has targeted. By forming strategic marketing alliances with these businesses, the Jāsos Group can increase its market exposure for minimal cost, deliver additional complimentary services to its clientele, and profit from providing referrals to others. To this end, the Jāsos Group is currently executing Reciprocal Marketing Agreements with three companies in non-competing businesses (see Appendix V). The Jāsos Group is specifically developing strategic marketing alliances with Disease State Management organizations that can assist the clients' physicians with patients who require more non-pharmaceutical support treating specific disease states.

Sales Targets

As part of the company's expansion plans, the Jāsos Group intends to secure clients which cover 480,000 lives from October 2000 to April 2001 through its sales efforts and referral commission program. (Appendix XIII) The Jāsos Group has already been told to expect many drug company sales representatives to enthusiastically respond to the commission invitation. The Jāsos Group plans to leverage its entree with a well-established national sales force of industry professionals. Further, The Jāsos Group expects to secure 3 – 4 full time commission-only sales people over the next year to ensure that sales targets are met. The Principals and the commissioned sales people will utilize industry contacts to meet with target clients. Additionally, the Principals and the commissioned sales people will attend every possible event that would have industry contacts in attendance. This form of networking has

proven to be very lucrative for the Principals. The table below (Sales Targets) provides an overview of the business that is expected:

Sales Targets

Target Sales	Dec 2000	Mar 2001	Jun 2001	Jun 2002	Jun 2003
Covered Lives	24,750	480,000	930,000	3,465,000	6,075,000
Engagement Fees	$35,475	$432,710	$1,545,117	$17,562,161	$38,206,034
Commissions	$7,875	$81,188	$103,313	$589,125	$656,250
Gross Margin	$27,600	$351,523	$1,441,805	$16,973,036	$37,549,784
Market Share	0.04%	0.73%	1.41%	5.27%	9.24%

Pricing

The pricing structure of the Jāsos Group is straight forward. The clients measure their pharmacy costs on a per-member-per-month (PMPM) basis. During the Competitive Pharmacy Practice Review© an average PMPM pharmacy cost (Baseline PMPM) is be calculated using the client's past six months pharmacy claims and membership data. Each month, the current month's average PMPM pharmacy cost is subtracted from the Baseline PMPM in order to determine the savings realized from the Jāsos Group's services. The commission fees are calculated on 50% of the monthly client savings, multiplied by the number of patients each month. So a sustained $1.00 PMPM savings for client with 30,000 covered lives would yield to Jāsos Group $15,000 per month, for up to 12 months or $6 per year for each covered life. The risk reversal for the client is that if there is no savings any month, they pay nothing. Most importantly, the fixed costs to deliver the services are less than $1 per life for the year.

This method of pricing is not the norm for the industry. In addition to these fees, the firm receives 25¢ referral commissions for each covered life provided to the strategic marketing partners. This referral fee compensates for the commissions paid to the sales people and people who refer business to the Jāsos Group. Thus, the firm gains back some earned potential income.

Promotions

Advertising

The advertising strategies the Jāsos Group is using include: the Internet, print advertising in various magazines, direct mail and in the literature of the strategic marketing partners (see Appendix V & XIV). The advertising budget is presently 14% of gross sales. Over the next two years, this percentage stabilizes to around 3.3%, while spending levels in Year 2 and 3 increases 130% and 390%, respectively, over the first year's budget. The table below (Advertising) represents the advertising efforts and projections for the next 3 years:

Advertising

MEDIUM	BUDGETED AMOUNT		
	FY 2000	FY2001	FY2002
Internet	$20,000	$50,000	$75,000
TIPS on Managed Care (IPA Association)	$44,000	$100,000	$225,000
Healthplan Magazine American Assn. of Health Plans (AAHP)	$40,000	$90,000	$200,000
MGM Journal Medical Group Mgmt Assn. (MGMA)	$44,000	$100,000	$225,000
Healthcare Executive	$24,000	$50,000	$110,000
Healthcare Business	$36,000	$85,000	$190,000
Managed Healthcare News	$32,000	$70,000	$150,000
Miscellaneous Direct Mail Pieces	$10,000	$25,000	$50,000
ANNUAL TOTALS	**$250,000**	**$570,000**	**$1,225,000**

Sales Promotions

The sales promotion aspect of the Jāsos Group expansion consists of collateral material for prospective clients. This includes a brochure with custom printed inserts of newsworthy items such as, client success stories, pharmaceutical updates, and other timely information. Moreover, the redesigned website will have downloadable promotional materials in the second year. In addition, before and after tradeshows, The Jāsos Group is sending promotional pieces to target clients, potential partners, and or and influential industry professionals who may refer clients to the firm. The Jāsos Group will also sponsor Continuing Medical Education seminars (CME) for physicians as a means to increase the exposure with the target market.

In addition to the promotional pieces and sponsorships, the Jāsos Group will increasingly participate in trade shows and conventions that cater to healthcare management. The main shows where the firm will exhibit its services annually are listed in the table "Promotions."

The budget for these promotions is set at 7% of gross sales this year. Over the next two years, this percentage stabilizes to around 1.7%, while spending levels in Year 2 and 3 increases 130% and 394%, respectively, over the first year's budget.

Promotions

PROMOTIONAL EVENT	BUDGETED AMOUNT		
	FY2000	FY2001	FY2002
MGMA Association Meeting / Annual Conference Atlanta, GA	$12,000	$45,000	$75,000
Natl Managed Health Care Congress (NMHCC) Atlanta, GA	$45,000	$45,000	$75,000
American College of Healthcare Executives (ACHE) Conf. Chicago, IL	$ -	$45,000	$75,000
American Association of Health Plans (AAHP) Conf. Los Angeles, CA	$ -	$45,000	$75,000
Sponsorships	$ 52,000	$75,000	$237,500
Miscellaneous Promotional Pieces	$15,000	$30,000	$75,000
ANNUAL TOTALS	**$124,000**	**$285,000**	**$612,500**

Risks

Description of Risks

Every business faces risks in today's economy and the Jāsos Group is no exception. The company have identified several areas of risk and summarized the contingency plans for each.

Acceptance by Prescribers. When a physician practice management company partners with the Jāsos Group, there is no guarantee the physicians will "play ball." As with any sample of a given population, there are some physicians in the practice or network that will simply not ascribe to offered recommendations or change their prescribing habits. This sometimes occurs even when physicians are financially penalized for not prescribing cost-effectively. Recalcitrant prescribers could severely affect Jāsos Group's revenue stream, since these physicians will not contribute to savings.
Contingency Plan: The Jāsos Group has a detailed clause in its agreement that stipulates any noncompliant prescribers are excluded from savings calculations (and subsequent consulting commission).

Falling Short of Sales Projections. The Jāsos Group has determined that it needs to acquire 3,100,000 lives to become fully self-sufficient. Any figure greater than 3,100,000 ensures profitability of the venture, but curtails growth and market domination. Despite concentrated and vigorous market research over the past six months, it is virtually impossible to determine the number of clients who may be employing part-time clinical pharmacists, or are unaware that there is a need for them to manage pharmacy costs. Other possible reasons include clients who decline to continue participating in risk arrangements, and the increasing popularity of PPO plans that usually do not offload risk to providers.
Contingency Plan: The Jāsos Group has developed an aggressive marketing plan with the goal of being the dominant service provider in the pharmacy risk management market. This plan includes enlightening clients to the amount of money currently being lost, and the potential increase in profits that could be realized. Once sufficient cash is on hand, a secondary plan will be devised to market pharmacy management to the non-risk PPO segment of health care. This will open up the managed care organizations as clients who currently bear pharmacy risk. The cash would allow the Jāsos Group to partner with the managed care organizations to jointly incentivize physicians to begin prescribing cost effectively.

No Capital Infusion. The absence of senior debt in the form a bank loan will severely restrict marketing activities, specifically exhibiting at trade shows, and travel to potential clients for initial meetings. This would also hamper the company's ability to meet its commission obligations when an agreement is executed with a larger client. In addition, the partners would not be able to devote full-time attention to the company.
Contingency Plan: The Jāsos Group will begin selling equity in the company. The company is able to sustain itself with this type of capital, but desired growth would slowed dramatically.

Death of a Partner: Each partner brings unique talents to the table. The demise of either individual would temporarily halt operations, but should not cause the company to cease functioning altogether.
Contingency Plan: Key persons have been identified who would be able to step in and fill the role of the expired partner until a full time replacement can be hired.

Cash Flow: In its previous existence, the company experienced severe cash flow problems due to long collection periods. Clients were billed quarterly, with terms of 30 days net.
Contingency Plan: Clients receive a statement monthly, with payment to be electronically transferred to the company account within 5 days.

Unexpected Volume: In the event the company acquires clients during the first 60 days in excess of 180,000 lives, existing personnel and systems would be severely taxed.
Contingency Plan: The addition of a part-time clinical pharmacist and administrative assistant would be required (candidates have already been identified). A systems upgrade would also be needed, consisting of a scalable server, data storage, and large capacity database software such as SQL 7.0.

Finances

Capital Requirements

For the Jāsos Group to successfully complete its operating plans, an investment of $4.5 million is required. The owners have contributed $37,800 in cash for the business, and are seeking equity financing from qualified investors. Using the forecasts from the Proforma Cashflow Statement, Appendix XI, shows that the company needs $4.5 million in financing to maintain a positive cash flow. However, the company is looking for $5,000,000 in financing, in addition to the owner's investment, to use as working capital for increased marketing efforts, for additional sales commissions, and for the commencement of blue ribbon activities for an Initial Public Offering (IPO). The company is offering fifteen percent (15%) of all the firm's membership units in return for this financing.

The business has already received $100,000 as senior debt in the form of a Small Business Administration loan. This interim financing is a 7-year loan that will be repaid in monthly installments, at a maximum of two percentage points above the prime rate interest, or earlier as cash flow allows.

Sources and Uses of Capital

The company will spend over $3.6 million by the end of the fiscal year, June 30, 2001 to launch the marketing plan, exhibit at two major trade shows, pay sales commissions, and the commence the hiring and operational plans. High-level Sources and Uses of Capital showing investments are shown below, and are detailed in the Proforma Profit and Loss Statement, Appendix IX.

A few notable areas of spending are the acquisition of two quasi-competitors and one information technology company. The company estimates the selling price for Pharm-Ed at $200,000, The Pharmacy Group at $400,000, and the Heritage Group at $2.3 million.

In addition, the company will spend over $125,000 in recruiting fees to attract highly qualified clinical pharmacists, salespeople, and IT staff. Over $350,000 will be spent to implement the marketing plans, including advertising in industry publications, exhibiting and sponsoring industry tradeshows, telemarketing, and direct mail.

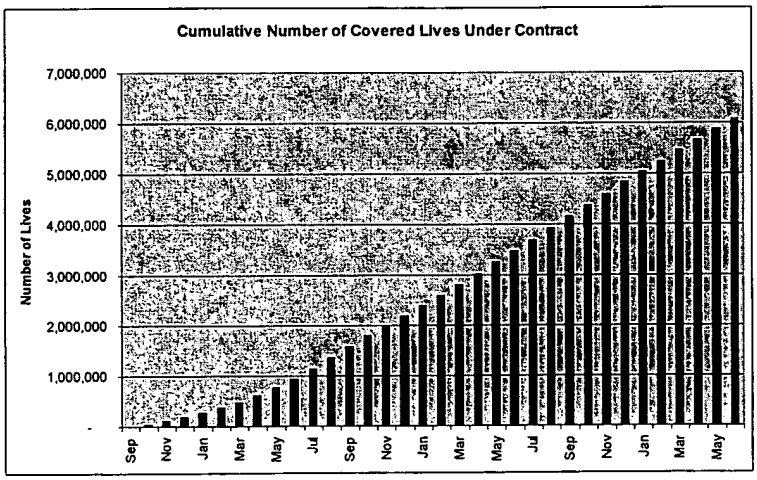
The table below (Sources and Uses of Capital) represents how the funds will be utilized.

Sources and Uses of Capital

SOURCES AND USES OF CAPITAL	AMOUNTS
SOURCES	
Equity Investment	$5,000,000
Owner Investment	$37,800
TOTAL SOURCES	$5,037,800
USES	
Acquisitions	$2,900,000
Advertising/Promotion	$350,000
Equipment	$750,000
IPO Activitites	$750,000
Commissions	$100,000
Salaries	$187,800
TOTAL USES	$5,037,800

Profit and Loss Statement

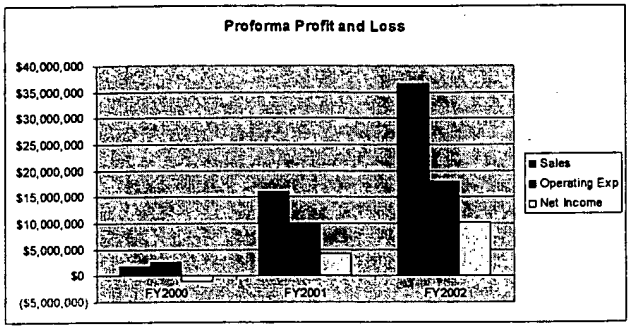
The attached Proforma Profit and Loss Statements (Appendices IX and X) provide an overview of the company's historical, present and projected sales expenditures and earnings. The Jasos group plans to implement a commission program that pays referrers up to $0.75 a life to help the firm secure target clients. We feel that this effort, with trade show promotions, will allow us to secure 480,000 covered lives in the first six months of operation. Since we will continue to pay commissions, as well as promote our services, we expect our sales rate to grow at about 10% per month for the first 9 months of operation, in Fiscal Year 2000, and level off at 3% per month thereafter. As such, these lives are retained for an entire year and we will gain a cumulative effect, as shown in the chart. By lowering pharmacy costs for our clients, first year sales are expected to reach$1.62 million on 765,000 covered lives and we will pay $148,500 in total commissions. The second year's sales are anticipated to be $16.02 million on 3.24 million covered lives. The third year is projected to generate sales of $36.55 million on 5.88 million covered lives.



The biggest expense the Jāsos Group will incur is the administrative payroll and benefits for the manpower required to deliver our services. These expenses account for $81 million in Year 1 or 50% sales. Compensation for the next two years, respectively, reaches $3.30 million, 20% of sales, and $6.39 million, 17% of sales.

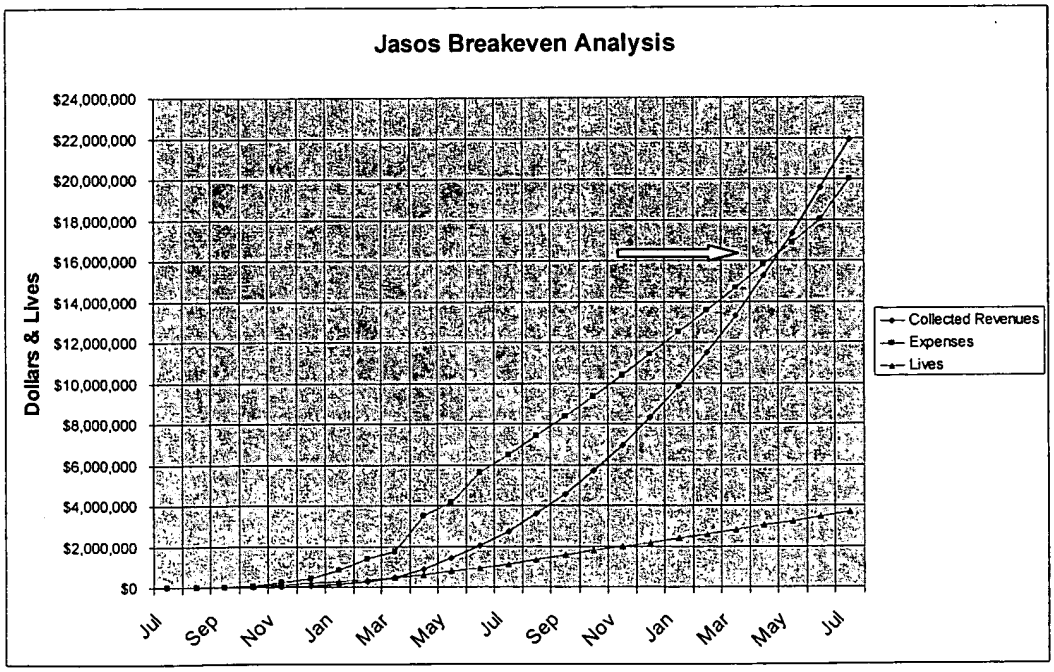
The manpower for the first year increases from the two founding Principals to thirty-five (35) additional employees, with the bulk of hires being 11 clinical pharmacists and 15 employees from an acquired company. With every pharmacist servicing 125,000 covered lives, we expect to add 20 more in our second year and 21 in Year 3. Further, we will add 33 employees in our second year and 40 in our third year.

Net income projections show the company generating a $1.10 million deficit in Year 1, $4.27 million in Year 2, and $10.11 million in Year 3, with -68%, 27%, and 28% profit margins respectively. The average sales per employee are anticipated to be $46,000, $236,000, and $338,000 for each of the three years shown.



Break Even Analysis

The Jāsos Group has calculated its break-even point -- the point at which its revenues equal its expenses. The chart below (Jāsos Breakeven Analysis) graphically displays the number of lives and revenue, based on the profit and loss statements.



The arrow indicates the number of lives at which collected revenues and expenses are equal, approximately 3,100,000 lives. With the Jāsos Group generating $7.46 per life, the point where accrued revenues equal expenses is approximately 2,000,000 lives.

Balance Sheet

The beginning cash at the commencement of operations comes from the owner's investment of $37,800. The Jāsos Group will spend very some money on assets – in the form of acquisitions. This includes buying Pharm-Ed for

$200,000, The Pharmacy Group for $400,000, and the Heritage Group for $2.3 million. All of the larger purchases and equipment, such as servers, computers, and furniture are leased. This is due to the highly mobile nature of the firm's workforce and the need to use the latest computing power to analyze data more quickly. The largest assets for the three-year period are cash and the acquired assets. Respectively, cash totals $776,000 in Fiscal Year 2000, $4.09 million in Fiscal Year 2001, $13.60 million in Fiscal Year 2002. The most notable liabilities are the Taxes Payable, totaling $0 in Fiscal Year 2000 due to offsetting losses, $1.01 million in Fiscal Year 2001, and $7.03 million in Fiscal Year 2002 (Appendices VII and VIII).

Cash Flow Statement

In addition to the owner's capital contribution of $37,800, the Jāsos Group requires an investment of $4.5 million in order to maintain a positive cash flow. The company expects to collect $4.04 million in receivables the first year and payout $3.27 million, for the cash balance of $776,000. Moreover, in the second year the company will enjoy a much better cash position. The company is projected to receive $18.04 million, disperse $13.95 million with acquisitions, and end the year with $4.09 million in cash. With the cash carryover from Year 2 and receivables $35.71 million, the company will have $39.81 million in cash the third year, disperse $26.21 million, and close the year with $13.60 million. (Appendix XII)

Ratio Analysis

The following table (Net Income Ratio) demonstrates some of the common size ratios for the Jāsos Group based on the projected Profit and Loss Statement in the previous sections. Utilizing all the financial statements, the company can see the firm's fiscal strength for several key ratios such as: Return on Assets, Return on Equity, Current Ratio, and Equity Ratio. The Return on Assets is expected to increase from –71.2% in Fiscal Year 2000 to 56.1% Fiscal Year 2002. In addition, Return on Equity maintains growth from -74.9% in the first year to 56.6% in the third year. The Current Ratio shows a value of 12.0 for the first year and increases rapidly to 97.2 by the third year. The firm's Equity Ratio also increases from 95.0% in fiscal year 2000 and climbs to 99.1% in Fiscal Year 2002. For additional ratios, please refer to Appendix VI.

Net Income as a % of Sales	FY 2000	FY 2001	FY 2002
Sales	100.00%	100.00%	100.00%
Operating Expenses			
Total Cost of Sales	11.61%	4.54%	3.82%
Administrative	156.24%	62.50%	49.29%
Total Operating Expenses	167.85%	67.04%	53.10%
Earnings Before Interest and Taxes	-67.85%	32.96%	46.90%
Income Taxes	0%	6.30%	19.23%
Net Income	-67.85%	26.67%	27.67%

Business Ratios

Projected Business Ratios			
Ratios:	FY2000	FY2001	FY2002
Return on Assets	-71.19%	54.61%	56.14%
Return on Equity	-74.93%	55.18%	56.63%
Current Ratio	12.02	62.06	97.16
Equity Ratio	95.00%	98.97%	99.12%

Assumptions

The Jāsos Group has used the following assumptions in the preparation of its financial statements. All calculation methods adhere to Generally Accepted Accounting Principles.

Profit and Loss Statement

Revenues

- The accrual method of accounting was used.
- All sales are due from the client on the 15th of every month.
- Commission fees are realized on the 15th of every month.

Operating Expenses

- An interest rate of 3.41% was used to calculate leases on all equipment.
- Miscellaneous costs are 5% total expenses, less payroll, payroll benefits, and Consultants.
- Monthly losses were accumulated and used to offset taxed profits.
- A fixed declining balance depreciation formula was used.

Cashflow Statement

- The owner's contributed $37,800 in capital.
- Leased Equipment, Supplies/Postage/Misc., Entertainment, Public Relations Accounting, Legal Counsel, Travel, and Utilities are 30 days payables.
- Taxes are accrued and paid on an annual basis.
- Major acquisitions were paid for in cash, with actual terms, including note structures, to be resolved later for a more advantageous cash position.

Balance Sheet

- Taxes are accrued and paid on an annual basis.
- Depreciation was done on a declining balance basis.

Glossary

Managed Care Terms

Adverse Selection - Occurs when premium or fees do not cover cost. Some populations, usually due to age or health status, have a significant potential for higher utilization than budgeted for.

Ancillary Services – May refer to professional charges either for X-ray, laboratory tests, and other similar patient services, or to non-physician care such as home health, physical therapy, etc.

Basic Benefits - A set of "basic health services" specified in the member's certificate and those services required under applicable federal and state laws and regulations.

Benefit Package - The list of covered services an insurance company/HMO/PPO offers to a group or individual.

Bonus Pool - An amount of money set aside to be given to providers for meeting certain performance standards.

Capitation - A per-member, monthly payment to a provider that covers contracted services, and is paid in advance of the delivery of the service. In essence, a provider agrees to provide specified services to HMO members for this fixed, predetermined payment for a specified length of time (usually a year), regardless of how many times the member uses the service.

Carve-Out - A payer strategy in which a payer separates (carves-out) a portion of the benefit and contacts with a specialized MCO or providers entity to provide these benefits. For example, psychiatry of often a carved-out service.

Case Management - The comprehensive management of a member's health problems wherein the chronically ill or otherwise impaired individual may require long term and/or costly care.

Catastrophic Case - A catastrophic case is any medical condition where total cost of treatment (regardless of payment source) is expected to exceed an amount designated by the HMO contract with the medical group.

COBRA - A federal law that permits many people who lose eligibility under a group health plan to continue that coverage without lapse.

Coinsurance - The percentage of costs of medical care that a patient pays himself. Coinsurance rates generally hover in the 10 percent to 20 percent range. Coinsurance and deductibles are most commonly

found in indemnity, fee-for-service insurance, and the PPO market. Their absence in the HMO arena is one of the strong marketing appeals of HMOs.

Commercial Plan - Refers to the benefit package an insurance company/HMO/PPO offers to employers. This is distinguished from a senior plan that is offered to Medicare beneficiaries.

Continuity of Care - The degree to which the care of a patient from the onset of illness until its completion is continuous, that is without interruption.

Continuum of Care - A range of medical, nursing treatments and social services in a variety of settings that provides services most appropriate to the level of care required. For example, a hospital may offer services ranging from nursery to a hospice.

Conversion Factor - A dollar amount for one base unit in the relative value scale (RVS). The price to be paid to the provider for a given service equals the relative value of the service multiplied by the dollar amount of the conversion factor. For example, a blood sugar determination might have a relative value of 5.0, and the conversion factor might be $5.00. The "price" of the blood sugar determination would therefore be $25.00.

Coordination of Benefits - A process wherein if an individual has two group health plans, the amount payable is divided between the plans so that the combined coverage amounts to, but does not exceed, 100 percent of the charges.

Co-Payment - A supplemental cost-sharing arrangement in which the HMO enrollee pays, to the provider, a specified amount for a specific service.

Corporate Practice of Medicine - State laws prohibiting lay people, organizations, and corporations from directly or indirectly practicing medicine. They are designed to ensure that those making decisions about the provision of medical services will not be subject to commercial exploitation.

Customary and Reasonable - Refers to a fee that falls within a common range of community fees.

Days Per Thousand (per 1,000) - A measurement of the number of days of hospital care used in a year per 1,000 HMO members.

Deductible - A set dollar amount that a person must pay before insurance coverage for medical expenses can begin.

DUR - Drug Utilization Review

Economic Credentialing - This means taking a physician's economic behavior into account (i.e. tests ordered, hospital bed days, outcomes) in deciding upon medical staff appointment or re-appointment.

Encounter - A member visit to the medical group with the intent of seeing a health care provider. There may be a variety of services performed at an encounter: a brief office visit, EKG, lab test, and an immunization.

Enrollee - Synonymous with member. A person eligible to receive, or receiving, benefits from an HMO or insurance policy. Includes both those who have enrolled or "subscribed" and their eligible dependents.

Enrollment - The number of members in an HMO. The number of members assigned to a physician or medical group providing care under contract with an HMO. Also, the process by which a health plan signs up individuals or groups as subscribers.

Enrollment Area - The geographic area within a designated radius (varies by HMO) of the PMG (Primary Medical Group) selected by the subscriber.

Enrollment Protection - The practice of an HMO to protect its contracted medical groups against part or all losses incurred for physician services above a specified dollar amount while caring for the HMO's enrollees. Also referred to as stop-loss or reinsurance.

Exclusive Provider Organization (EPO) - A health plan in which patients must go to a participating provider or receive no benefit. This is a cross between an HMO and a PPO (See preferred provider organization). Like a PPO, doctors typically are paid on a fee-for-service basis and are not at risk. However, patients have less freedom to go out of network than with a PPO.

Federally Qualified HMO - An HMO that meets certain federally stipulated provisions aimed at protecting consumers: e.g., providing a broad range of basic health services, assuring financial solvency, and monitoring the quality of care. HMOs must apply to the federal government for qualification. The process is administered by the Office of Prepaid Health Care of the Health Care Financing Administration (HCFA), Department of Health and Human Services (DHHS).

Fee - A charge or price for professional services.

Fee-For-Service (FFS) - A system of payment for health care whereby a fee is rendered for each service delivered. This traditional method contrasts with that used in the prepaid sector where services are covered by a fixed payment made in advance that is independent of the number of services rendered.

Fee Schedule - A listing of charges or established benefits for specified medical or dental procedures.

Formulary - A list of approved pharmaceuticals believed to be the most useful and cost effective. In HMOs with formularies, physicians are required to limit prescribing to drugs on the formulary. Typically developed by a pharmacy and therapeutics (P&T) committee.

Gatekeeper - The primary care physician who must authorize all medical services, (e.g., hospitalizations, diagnostic work-ups, and specialty referrals) for a member.

Global Capitation - A reimbursement arrangement under which a provider organization assumes risk for the full range of healthcare services, including services that may be provided by other physicians.

Group Model - In a group model HMO, the HMO contracts with a group of physicians, which is paid a set amount per patient to provide a specified range of services. The group of physicians determines the compensation of each individual physician, often sharing profits. The practice may be located in a hospital or clinic setting.

Guidelines - You may hear these referred to as practice parameters, clinical practice guidelines, or protocols. These are statements by authoritative bodies as to the procedures appropriate for the physician

to employ in making a diagnosis and treating it. The goal of guidelines is to change practice styles, reduce inappropriate and unnecessary care, and cut costs.

Health Care Financing Administration (HCFA) - The agency within the Department of Health and Human Services which administers federal health financing and related regulatory programs, principally the Medicare, Medicaid, and Peer Review Organization.

Health Maintenance Organization (HMO) - A legal corporation that offers health insurance and medical care. HMOs typically offer a range of health care services at a fixed price (see capitation). Types of HMOs:

- Staff Model -- Organization owns its clinics and employs its docs.
- Group Model -- Contract with medical groups for services.
- IPA Model -- Contract with an IPA that in turn contracts with individual physicians.
- Direct Contract Model -- Contracts directly with individual physicians.
- Mixed Model -- Members get options ranging from staff to IPA models.

Health Plan - A generic term to refer to a specific benefit package offered by an insurer. Also used to pertain to the insurer; e.g., "I signed up for the Blue Cross health plan."

Hospital Day - A term to describe any twenty-four hour period commencing at 12:00 a.m., or 12:00 p.m., whichever is used by a hospital to determine a hospital day, during which a patient receives hospital services at the hospital.

Independent Physician Association (IPA) - Contracts with individual physicians who see HMO members, as well as their own patients, in their own private offices. It is the ability of IPA physicians to see both IPA and private patients in their own offices that principally differentiates an IPA from a group or staff HMO. Physicians in an IPA are paid on either a capitation or a modified fee-for-service basis.

International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-M) - The World Health Organization's ninth edition of its book used widely for hospital diagnoses. A 10th version recently has been released. You may read about fee structures that are designed along the lines of ICD-9 codes.

Managed Care - A relatively new term coined originally to refer to the prepaid health care sector (e.g., HMOs) where care is provided under a fixed budget and costs are therein capable of being "managed." Increasingly, the term is being used by many analysts to include PPOs and even forms of indemnity insurance coverage that incorporate preadmission certification and other utilization controls.

Managed Care Organization (MCO) - Refers to any type of organizational entity providing managed care such as an HMO, PPO, EPO, etc. The MCO has both fiduciary and provider responsibilities though it may contract outside for the provision of services to the beneficiaries.

Management Services Organization (MSO) - A management entity owned by a hospital, physician organization, or third party. The MSO contracts with payers and hospitals/physicians to provide services such as negotiating fee schedules, handling administrative functions, and billing and collections. Physician Practice Management Companies (PPMCs) are a form of MSO.

Medical Loss Ratio (MLR) – The amount of revenue from health insurance premiums that is spent to pay for the medical services covered by the plan.

Medically Necessary - A term used to describe the supplies and services provided to diagnose and treat a medical condition in accordance with the standards of good medical practice and the medical community.
Medicare - The federally financed hospital insurance system (part A) and supplementary medical insurance (part B) for the aged created by the 1965 amendment to the Social Security Act.
Medicare Select - A type of Medicare supplement insurance which has lower premiums in return for a limited choice of beneficiaries: they will use only providers who have been selected by the insurer as "preferred providers". Also covers emergency care outside the preferred provider network.
Medicare Supplement Insurance or "Medigap" - It provides additional individual benefits under Medicare. There are 10 standardized Medigap plans with specific packages of benefits.
Member - A person eligible to receive, or receiving, benefits from an HMO or insurance policy. Includes both those who have enrolled or "subscribed" and their eligible dependents.
Messenger Model - A method of setting fees for loose, non-risk bearing MCOs such as IPAs or PHOs. A designated agent must act as a "messenger", shuttling individual physician information to the payer and vice versa. This method meets the criteria of antitrust laws that bar physicians from sharing any practice data or fee information.
Open Enrollment - The annual period during which people in a "dual choice" health benefits program can choose among the two (or more) plans being offered. Also the period during which a federally qualified HMO must make its plan available without restrictions to individuals who are not part of a group.
Outcome - This term has been used to mean different things to different people. It can refer to the following:

- Changes in birth and death rates for a global population, for example, residents of a state.
- The "outcome" or finding of a given diagnostic procedure.
- The results for a patient after care, for example, how long it took to restore the patient's ability to walk or to work.

Out-of-Area - Refers to the treatment given an HMO member outside the geographical limits of his own HMO. The coverage generally is restricted to emergency services.
Per Diem Cost - Cost per day; hospital or other institutional cost for a day of care.
Per Member Per Month (PMPM) - Generally used by HMOs and their medical providers as an indicator of revenue, expenses, or utilization of services per member per one month period; e.g., "The Jā sos Group receives a capitation payment of $30 per member per month."
Per Member Per Year (PMPY) - Generally used by HMOs and their medical providers as an indicator of revenue, expenses or utilization of services per member per year; .e.g., *The patients come in to see the doctor on an average of 3.7 times per member per year.*
Physician-Hospital Organization (PHO) - It is owned jointly by a hospital and a physician group. The PHO, in turn, contract with hospitals and physicians for the delivery of services to payers under contract to the PHO. It can also provide management services and perform other services typically associated with an MSO.
Physician Organization (PO) - A group of physicians banding together, usually for the purpose of contracting with managed care entities or to represent the physician component in a PHO.
Physician Practice Management Company (PPMC) –An investor-owned business that purchases, partners with m or manages physician practices. The PPMC may provide investment capital for the development of expansion of a practice.

Point of Service Plan - An HMO plan which allows the member to pay little or nothing if they stay within the established HMO delivery system, but permits member to choose and receive services from an outside doctor, any time, if they are willing to pay higher co-payments, deductibles and possibly monthly premiums. Also called an open-ended plan.
Preferred Provider Organization (PPO) - A system in which a payer negotiates lower prices with certain doctors and hospitals. Patients who go to a preferred provider get a higher benefit -- for example, 90 percent or 100 percent coverage of their costs -- than patients who go outside the network.
Premium - A predetermined monthly membership fee that a subscriber or employer pays for the HMO coverage.
Primary Care - Physicians who are predominantly primary care doctors include general or family practitioners, internists, pediatricians and sometimes OB/GYN doctors.
Prospective Review - A method of reviewing possible hospitalization, prior to admission, to determine necessity of confinement, outpatient alternatives and estimated reasonable length of stay.
Provider Sponsored Organization (PSO) – a designation under the Medicare Choices demonstration project begun in 1997 for a health program organized by a hospital, integrated delivery system, physician group, or other provider entity for purposes of providing Medicare benefits.
Quality Management - A formal set of activities to assure the quality of services provided. Quality management includes quality assessment and corrective actions taken to remedy any deficiencies identified through the assessment process.
Referral Authorization - A verbal or written approval of a request for a member to receive medical services or supplies outside of the participating medical group.
Referral Physician - A physician who has a patient referred to him by another source for examination, surgery, or to have specific procedures performed on the patient, usually because the referring source is not prepared or qualified to provide the needed service.
Referring Physician - A physician who sends a patient to another source for examination, surgery, or to have specific procedures performed on the patient, usually because the referring physician is not prepared or qualified to provide the needed service.
Reinsurance - The practice of an HMO or insurance company of purchasing insurance from another company to protect itself against part or all the losses incurred in the process of honoring the claims of policyholders. Also referred to as "stop loss" or "risk control insurance."
Relative Value Scale (RVS) - RVS is the compiled table of relative value units (RVUs), which is a value given to each procedure or unit of service. As payment systems, RVS is used to determine a formula that multiplies the RVU by a dollar amount, called a converter (see conversion factor).
Resource Based Relative Value Scale (RBRVS) - A method of determining physicians' fees based on the time, training, skill, and other factors required to deliver various services.
Risk - Refers to finances used for providing patient care. For example, and HMO that offers prepaid care for a given premium is "at risk" because it must provide care within the premium funds available.
Risk Pool – A pool of money that is designated for payment of certain expenses whose magnitude is unknown at the time for funds are set aside. Commonly, if the money that is put at risk is not expended by the end of the year, some or all of it is returned to those managing the risk.
Risk Sharing - The process whereby an HMO and contracted provider each accept partial responsibility for the financial risk and rewards involved in cost effectively caring for the members enrolled in the plan and assigned to a specific provider.
Senior Plan - Refers to a benefit package offer by an HMO or other insurer to beneficiaries eligible for Medicare parts A & B.

Service Area - The geographic area served by an insurer or health care provider.
Silent PPOs - You may call these voluntary PPOs, wrap-around PPOs or blind PPOs. They act like brokers by selling your discounts to parties that do not guarantee you volume. For example, a PPO that you contract with sells your discounts to an insurer, which applies the discounts to your bills.
Supplemental Benefits - Benefits contracted for by an employer group that are outside of, or in addition to, the basic health plan.
Staff Model HMO – An HMO that delivers health services through physicians that are employed by the HMO.
Stop-loss - The practice of an HMO or insurance company of protecting itself or its contracted medical groups against part or all losses above a specified dollar amount incurred in the process of caring for its policyholders. Usually involves the HMO or insurance company purchasing insurance from another company to protect itself. Also refereed to as reinsurance.
Subscriber - An individual meeting the health plans' eligibility requirement, who enrolls in the health plan and accepts the financial responsibility for any premiums, co-payments, or deductibles.
Third Party Administrator (TPA) - An organization that administers health care benefits, mostly for self-insured employers. Services may include claims review and claims processing.
Third-Party Payment - A term used to describe the monetary reimbursement for medical services from someone other than the member or the member's insurance plan.
Utilization - The frequency with which a benefit is used -- for example 3,200 doctor's office visits per 1,000 HMO members per a year. Utilization experience multiplied by the average cost per unit of service delivered equals capitated costs.
Withhold - The portion of the monthly capitation payment to physicians withheld by the HMO until the end of the year or other time period to create an incentive for efficient care. The withhold is at risk; i.e., if the physician exceeds utilization norms, he does not receive it. It serves as a financial incentive for lower utilization.

[redacted]

October 12, 2000

Mr. Terrance Moore
Mr. Charles C. Lewis
The Jasos Group, LLC
605 Crescent Executive Court, Ste 300
Lake Mary, FL. 32746

Re: SBA loan request

Dear Mr. Moore and Mr. Lewis:

[redacted]Bank is pleased to issue this commitment letter for a U.S. Small Business Administration Guaranteed loan under the following terms and conditions:

1.	Borrower:	The Jasos Group, LLC
2.	Amount:	$100,000
3.	Term:	7 years, with interest only for 3 months
4.	Rate:	Prime plus 2%, adjustable quarterly
5.	Guarantors:	Terrance Moore Charles C. Lewis
6.	Collateral:	1st security interest in business assets 2nd mortgage on Moore residence 3rd mortgage on Lewis residence cash value of life insurance -- Lewis Assignment of life insurance in the amount of $50,000 each on the lives of Terrance Moore and Charles Lewis

This commitment is subject to the receipt and satisfactory review of the completed loan application package. Please indicate your acceptance of this commitment by signing below, and returning it to us no later than October 20, 2000 along with your check in the amount of $400.00.

[redacted]

By: [redacted]

The Jasos Group, LLC

By: Terrance Moore
Terrance Moore, Managing Member

Charles C. Lewis, Managing Member

Terrance Moore, Guarantor

Charles C. Lewis, Guarantor

[redacted]

REDACTED

[redacted]

Invoice

DATE	INVOICE NO.
6/23/2000	947

Jasos Group
450 Blue Smoke Ct.
Lake Mary, FL 32746-5123

TERMS

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
Creative	Balance of Creative and Production for Letterhead, Business Card and Envelope		325.00	325.00T
Creative	Deposit of Creative and Production for Pocket Folder		1,075.00	1,075.00T
Creative	Deposit of Creative and Production for Website		500.00	500.00T
	FL. SALES TAX		6.00%	114.00

PAID
CK NO DATE

It's been a pleasure working with you!

Total $2,014.00

[redacted]

REDACTED

[redacted]

Communication Data

Date: Sept. 26, 2000 Time: 10:30AM

To: Tim & Terrance Of: Jasos Group

From: [redacted] Of: [redacted]

of Pages (including cover): 6 Fax #: [redacted]

Additional Information

Attached please see instructions to copy. If you have any questions please call me @ [redacted] or [redacted]

Thanks!

CONFIDENTIALITY NOTICE

The information contained in this facsimile is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this transmission is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this transmission is strictly prohibited.

[redacted]

REDACTED

Your Partner in Controlling Pharmacy Costs

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The Jasos Group commits to helping our Partners:

- Control rising pharmacy costs
- Minimize the time Physicians spend with formulary management
- Increase the information Physicians have at the time of prescription
- Educate Physicians on the costs of their prescription choices
- Help patients support their Physicians drug choices
- Increase overall Practice profitability

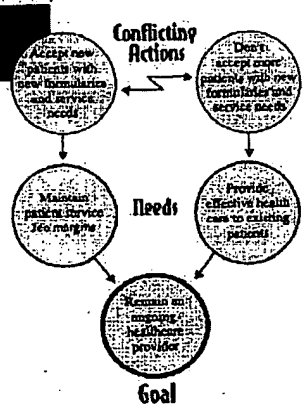
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Please call us for a presentation of our methodology and more details of our service offering. We can also conduct a Competitive Pharmacy Performance Review of your practice.

Multiple Formularies to Manage

Problem:
To remain an ongoing health care provider, Physicians must maintain their service fee margins and their treatment efficacy to existing patients. With rising pharmacy and other health care costs , Physicians are in conflict of whether or not to generate more fees by accepting more and more patients with different formulary requirements.

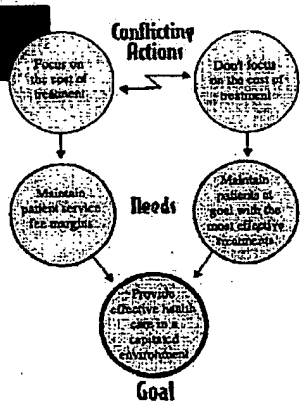
Solution:
Help Physicians manage multiple formularies by:
- Simplifying formulary management
- Working with Physicians on drug selection



Unknown Treatment Costs

Problem:
To continue practicing effective medicine in a capitated environment, Physicians must keep patients within a fixed fee. With rising pharmacy and other health care costs, Physicians are in conflict of whether or not to focus on reducing treatment as a means to lower costs and maintain margins.

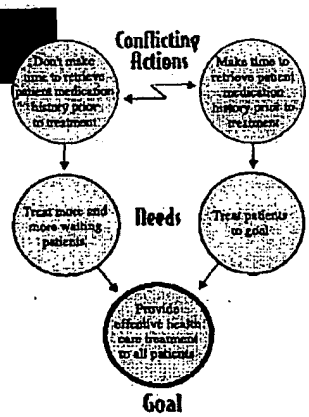
Solution:
Help Physicians maintain margins by:
- Advising physicians on drug costs
- Academic detailing of physicians' prescribing trends
- Decreasing utilization by increasing the physician's efficacy

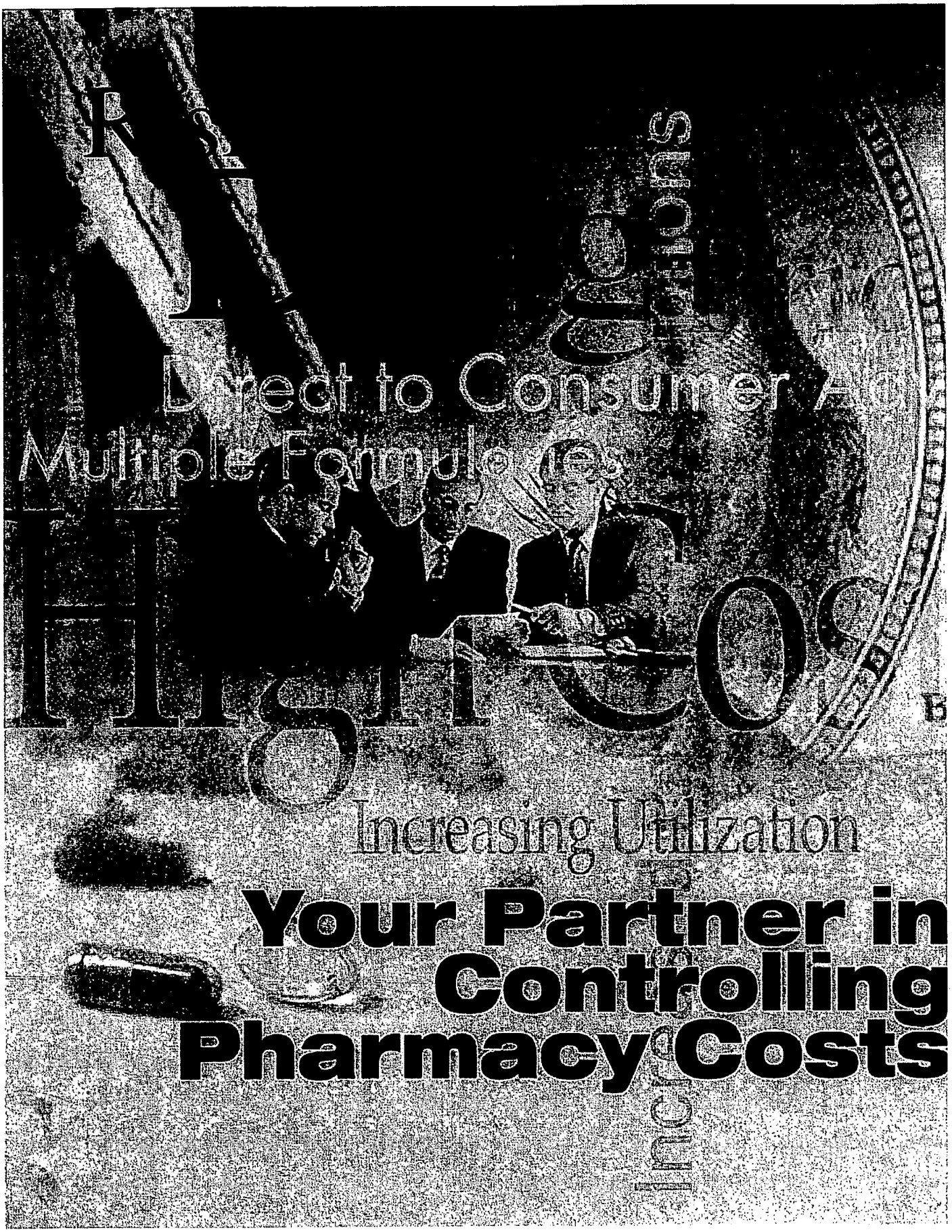


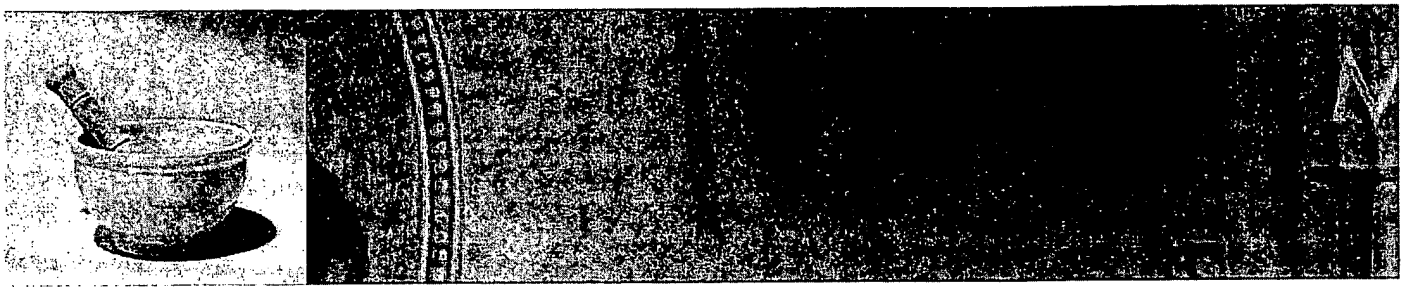
Limited Patient Information for Prescriptions

Problem:
To provide effective health care treatment to all patients, Physicians must spend less and less time with each patient, while attempting to treat them to goal. With limited time when diagnosing, Physicians are in conflict whether or not to spend additional resources ordering labs and collecting drug histories to rule out disease states.

Solution:
Help physicians make more effective prescribing decisions by:
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Direct to Consumer
Multiple Formulary
Increasing Utilization
Your Partner in
Controlling
Pharmacy Costs

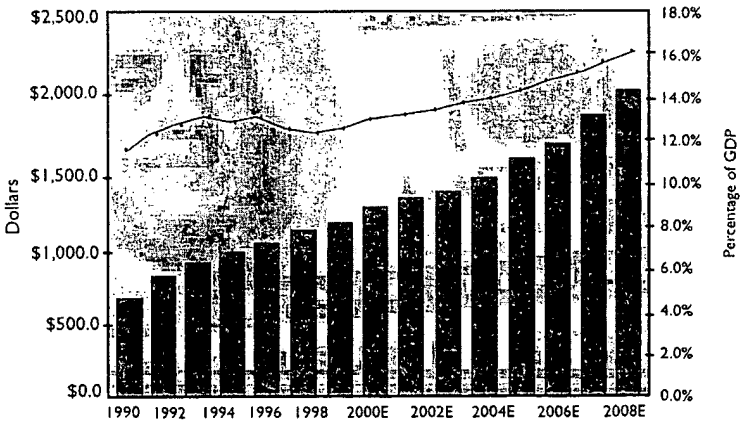


The Fastest Growing Threat to Capitated Health Care

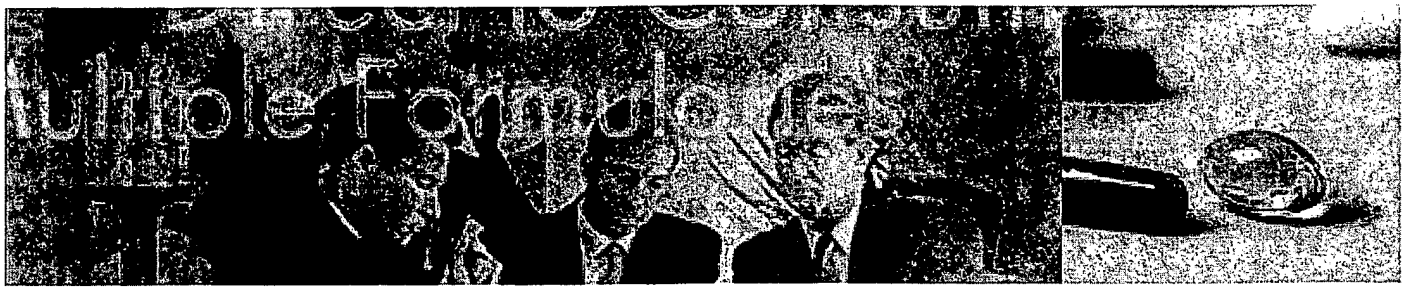
Pharmacy is the fastest rising component of health care costs today, growing at 18% a year. The pressure, on those plans who are "at risk", will not be easing any time soon. HCFA estimates that total drug spending will increase 138% over the next ten years. Some major trends for the future to include:

- A 54% growth over the next 20 years in seniors (65 and older), who accounted for pharmacy costs, which were three times that for overall plan members in 1998
- Increases in prescription utilization
- Drugs being used more often to replace surgery and other treatments
- New, very expensive drugs coming onto the market faster than ever before
- Direct to consumer marketing has increased to $1.8 Billion, a 43% increase from 1998 to 1999, and has made patients participants in the prescribing process

Growth in National Healthcare Expenditures



Source: U.S. Health Care Financing Administration (HCFA)



Solving Physicians' Problems Is the Key to Better Capitation Margins

Managing Physician Practice Management Companies (PPMCs), Group Practices, IPAs, MSOs, and PHOs for cost effective capitated health care delivery has myriad challenges – with the most difficult being rapidly diminishing profitability. Dramatic increases in overall pharmacy costs are the number one threat to practice profitability and management bears all the fiscal responsibility. So, if payers will not offer relief by increasing fees, the additional relief must come from the Physicians by reducing pharmacy costs. But how?

The solution lies in solving the Physicians' daily obstacles to practicing medicine. By addressing the prescribing problems and other hurdles to practicing cost effective medicine, capitated providers can increase service margins and overall profitability. Some of the common problems that plague capitated Physicians are:-

- Treating more and more patients from different HMOs just to stay even with rising pharmacy and other health care costs
- Unmanageable and confusing formularies and policy changes from many patient HMOs
- No knowledge of formulary drug costs
- Limited information to counter patients who demand advertised drugs
- Incomplete patient medication histories

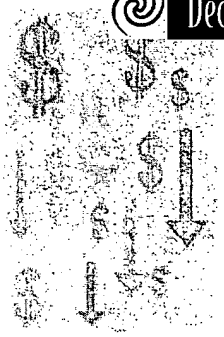
These problems have Physicians in a genuine conflict or they would already be solved. Management can make more money and minimize the daily friction of practicing medicine by focusing on only one thing - Solving the Physicians' Problems! This important task can be made easier with the right Partner and the right expertise ...



Common Conflicts

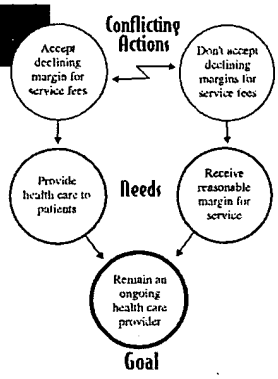
Health care providers often face many of the daily conflicts presented in the following diagrams. Jasos can help your organization resolve these conflicts and reduce pharmacy costs.

Declining Service Fee Margins

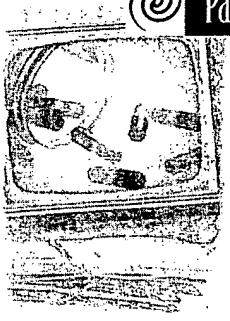


Problem:
To continue practicing effective medicine, Physicians must receive consistent service fee margins for their health care service delivery. With rising pharmacy and other health care costs, Physicians are in conflict of whether or not to continue accepting less and less money for services.

Solution:
Help Physicians provide cost effective health care by:
- Lowering pharmacy utilization and other health care costs
- Reducing costs associated with patient non-compliance
- Educating capitated Physicians on treatment costs prior to use
- Partnering with pharmacy utilization management experts
- Advising Physicians on drug costs

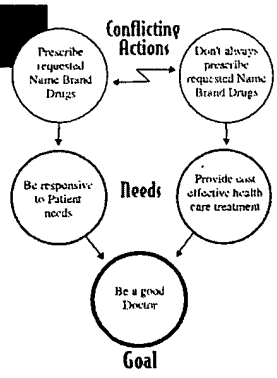


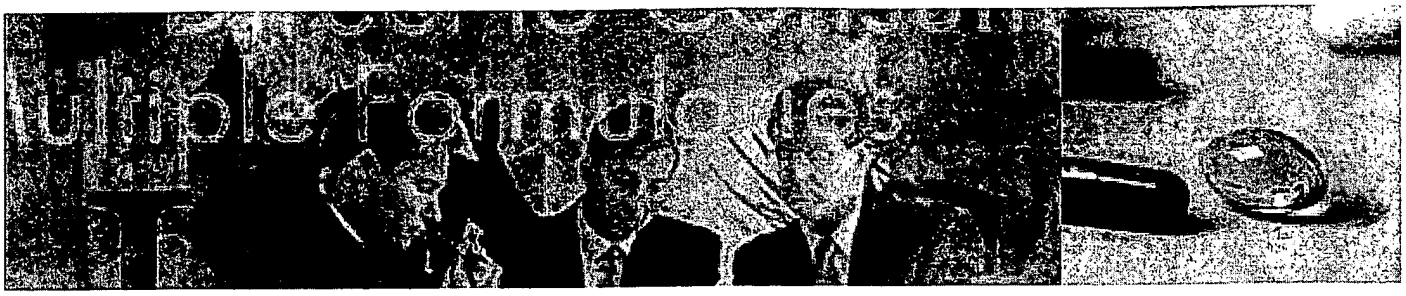
Patients Demand Advertised Drugs



Problem:
To be a good Doctor, Physicians must be responsive to patient needs, while treating their ailments. Due to tremendous direct to consumer advertising, Physicians are in conflict of whether or not to yield to patient requests for high cost Brand Name drugs, as the most cost effective treatment method.

Solution:
Help Physicians respond to patient demands by:
- Providing the tools for Physicians to support their drug selection



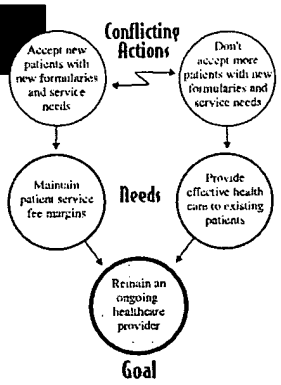


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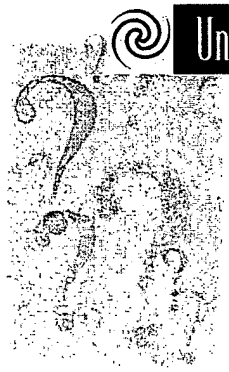


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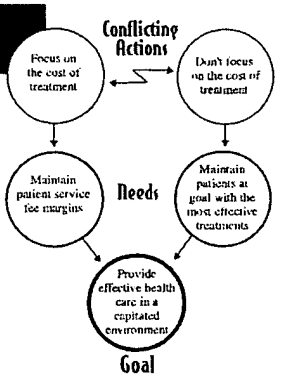


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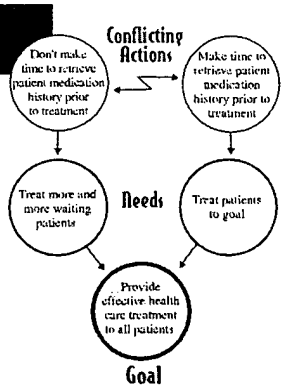


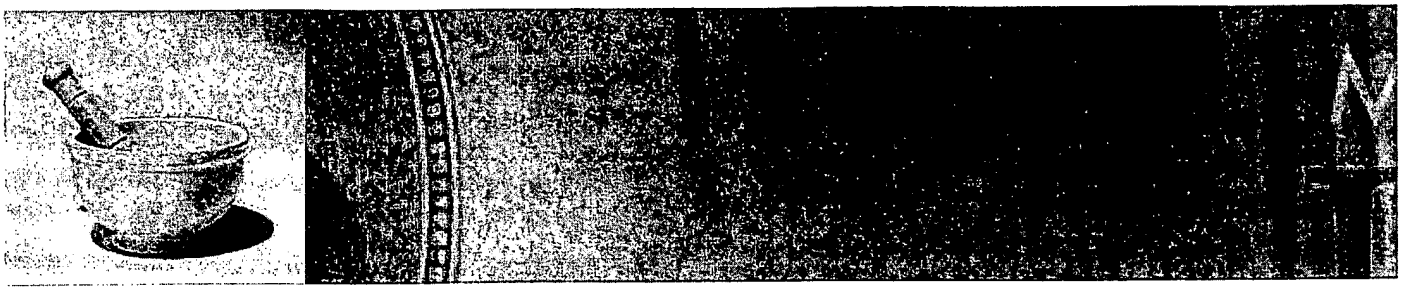
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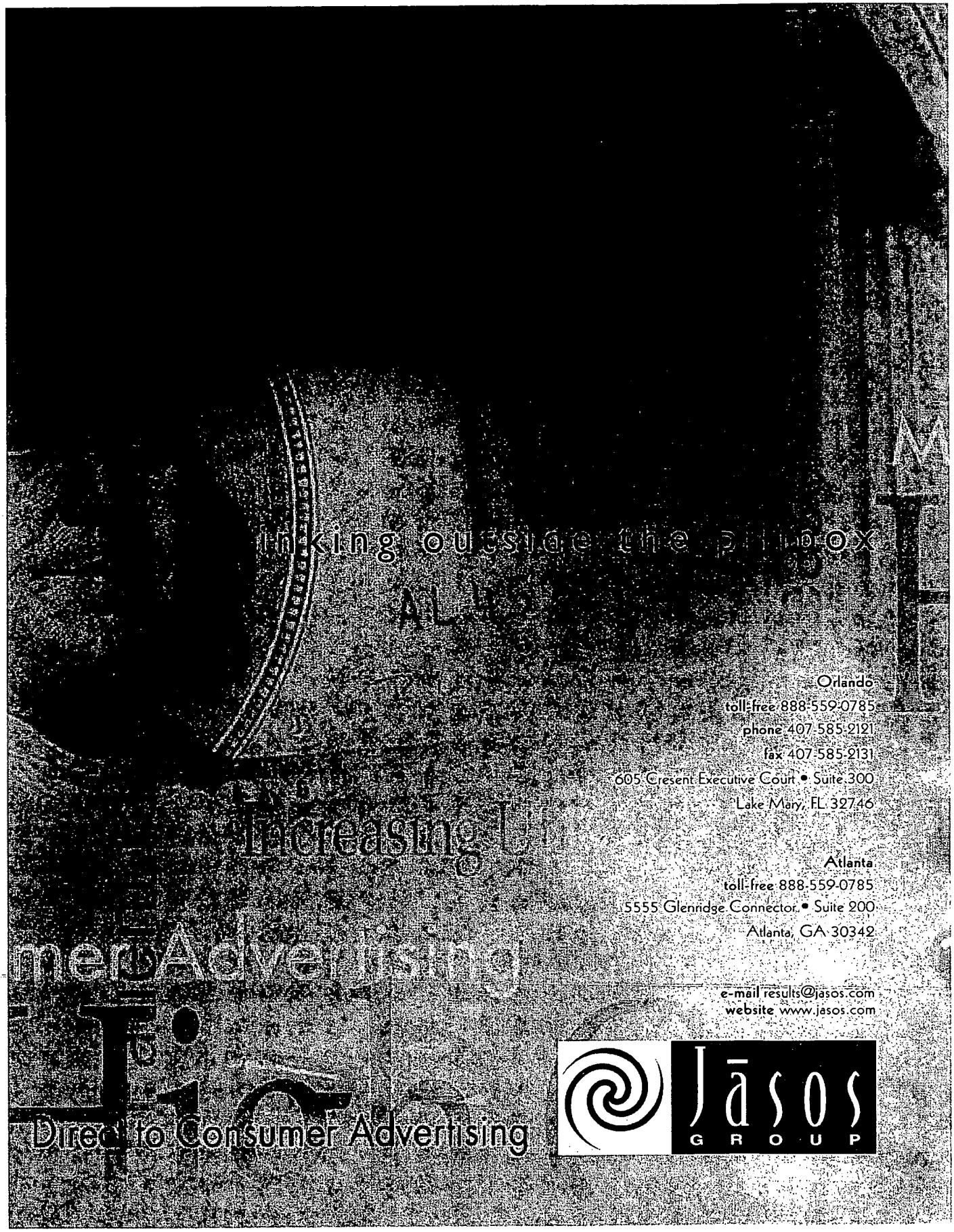
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Orlando
toll-free 888-559-0785
phone 407-585-2121
fax 407-585-2131
605 Cresent Executive Court • Suite 300
Lake Mary, FL 32746

Atlanta
toll-free 888-559-0785
5555 Glenridge Connector • Suite 200
Atlanta, GA 30342

e-mail results@jasos.com
website www.jasos.com

Jasos GROUP

MEDICAL GROUP
MANAGEMENT
ASSOCIATION®

2000 Medical Group Management Association (MGMA) Annual Conference
October 15-18, 2000
Georgia World Congress Center ♦ Atlanta, GA

SPONSORSHIP AGREEMENT

THIS SPONSORSHIP AGREEMENT is made and entered into as of the 6th day of September, 2000, by and between Medical Group Management Association ("MGMA"), a non-profit corporation organized under the laws of the State of Colorado, whose address is 104 Inverness Terrace East, Englewood, Colorado 80112-5302, telefacsimile no. (303) 397-1825, and Jasos Group, a corporation("Sponsor"), whose address is 605 Crescent Executive Ct., Suite 300, Lake Mary, FL 32746, telefacsimile no. (407) 585-2131

WHEREAS, MGMA is interested in obtaining sponsorship donations to support its 2000 Medical Group Management Association Annual Conference to be held October 15-18, 2000 in Atlanta Georgia (the "Event") and wishes to provide reasonable acknowledgment for sponsorship support;

WHEREAS, Sponsor has applied to be a sponsor of the Event pursuant to that certain Sponsorship Application submitted by Sponsor;

WHEREAS, MGMA has accepted Sponsor's Sponsorship Application;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

1. SPONSORSHIP RIGHTS/SPONSORSHIP FEE.

a) Rights. Sponsor is granted the sponsorship rights and benefits, described on Exhibit A hereto.

b) Fee. Sponsor hereby agrees to pay to MGMA at the address set forth below, c/o Lori A Rott, CMP., Exhibits and Sponsorship Manager, a sponsorship fee in an amount of two thousand five hundred dollars ($2,500.00), as follows: two thousand five hundred dollars ($2,500.00) which shall be returned to MGMA together with this Agreement; on or before September 20, 2000.

2. **SPONSOR INFORMATION.**

Contact Person for listing in printed materials (please print):

Name (Mr./Mrs./Ms.): *Mr. Tim Lewis*	
Title: *Partner*	
Company Name: *Jasos Group*	
Address: *605 Crescent Executive Ct., Suite 300*	
City, State, Zip: *Lake Mary, FL 32746*	
Telephone: *(407) 585-2121*	Fax Number:: *(407) 585-2131*
E-Mail: *tlewis@jasos.com*	Web site: *www.jasos.com*

Contact Person (to whom confirmation and additional information and notices should be sent (please print):

Name (Mr./Mrs./Ms.): *Mr. Tim Lewis*	
Title: *Partner*	
Company Name: *Jasos Group*	
Address: *605 Crescent Executive Ct., Suite 300*	
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Telephone: *(407) 585-2121*	Fax Number: *(407) 585-2131*
E-Mail: *tlewis@jasos.com*	Web site: *www.jasos.com*

3. **CANCELLATION.** Sponsor may cancel its sponsorship in writing addressed to MGMA at the address set forth above and received by MGMA prior to July 3, 2000, in which case Sponsor shall receive a refund of all sponsorship fees paid, less a $750 fee. If Sponsor cancels its sponsorship after July 3, 2000, Sponsor shall not be entitled to receive any refunds.

4. **TERMS AND CONDITIONS.** Sponsor agrees to be bound by and comply with all sponsorship terms and conditions imposed by MGMA, including but not limited to the Terms and Conditions attached hereto, which are incorporated herein by reference, and further agrees that MGMA has authority to interpret and enforce such terms and conditions and the power to make amendments and/or further terms and conditions orally or in writing as MGMA may consider necessary for the proper conduct of the Event, and that such decisions shall be binding on Sponsor. The undersigned representative of Sponsor warrants and represents that he/she has read and understands this Agreement, including the Terms and Conditions, and agrees to be bound by them.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Jasos Group

By: _____

Its: _____

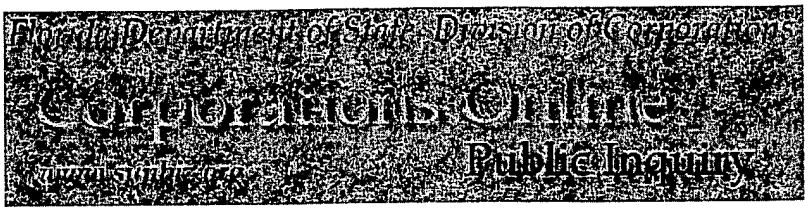
Date: 9/14/00

MEDICAL GROUP MANAGEMENT ASSOCIATION

By: Lori A. Rott

Its: LAR

Date: 10/9/00



Florida Limited Liability

JASOS GROUP, LLC

PRINCIPAL ADDRESS
801 INTERNATIONAL PARKWAY, 5TH FLOOR
LAKE MARY FL 32746
Changed 09/29/2003

MAILING ADDRESS
801 INTERNATIONAL PARKWAY, 5TH FLOOR
LAKE MARY FL 32746
Changed 09/29/2003

Document Number	FEI Number	Date Filed
L00000010198	593666357	08/24/2000
State	**Status**	**Effective Date**
FL	ACTIVE	NONE
Total Contribution		
0.00		

Registered Agent

Name & Address
OSSINSKY & CATHCART, P.A. 210 N. WYMORE RD. WINTER PARK FL 32789
Name Changed: 09/29/2003
Address Changed: 09/29/2003

Manager/Member Detail

Name & Address	Title
MOORE, TERRANCE 801 INTERNATIONAL PARKWAY, 5TH FLOOR LAKE MARY FL 32746	MGRM
LEWIS, CHARLES 801 INTERNATIONAL PARKWAY, 5TH FLOOR LAKE MARY FL 32746	MGRM

Annual Reports

Report Year	Filed Date
2002	09/19/2002
2003	09/29/2003
2004	06/30/2004

Previous Filing | Return to List | Next Filing

No Events

No Name History Information

Document Images

Listed below are the images available for this filing.

06/30/2004 -- ANNUAL REPORT
09/29/2003 -- ANN REP/UNIFORM BUS REP
09/19/2002 -- ANNUAL REPORT
08/06/2001 -- ANN REP/UNIFORM BUS REP
08/24/2000 -- Florida Limited Liabilites

THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT

Corporations Inquiry | Corporations Help

L00000010198

THE UNITED STATES CORPORATION COMPANY

ACCOUNT NO. : 072100000032

REFERENCE : 790366 7221071

AUTHORIZATION : Patricia Pizzuto

COST LIMIT : $ 125.00

MJH

ORDER DATE : August 7, 2000

ORDER TIME : 8:32 AM

ORDER NO. : 790366-005

CUSTOMER NO: 7221071

CUSTOMER: Mr. Charles C. Lewis
Mr. Charles C. Lewis

450 Blue Smoke Court

Lake Mary, FL 32746

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
00 AUG 24 PM 2:11

DOMESTIC FILING

400003370954--0

NAME: JASOS GROUP, LLC

EFFECTIVE DATE:

XX ARTICLES OF ORGANIZATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX _____ PLAIN STAMPED COPY

CONTACT PERSON: Darlene Ward - EXT. 1135

EXAMINER'S INITIALS:

RECEIVED
00 AUG 24 AM 10:40

THIS IS NOT AN INVOICE

[redacted]

Sales: [redacted]
Customer Service: [redacted]
Fax: [redacted]

PACKING SLIP

SHIP TO: ATTN: CHARLES LEWIS
PHONE #: 4075852121
JASOS GROUP
605 CRESCENT EXECUTIVE COURT
STE 300
LAKE MARY, FL
32746

SOLD TO: CHARLES LEWIS
605 CRESCENT EXECUTIVE PORT
STE 300
LAKE MARY, FL
32746

[redacted]

Customer Acct	Customer Purchase Order Number	Salesperson Name-Company No.	Order No.
[redacted]	Not available for this order	[redacted]	[redacted]

Date	Order Date	Shipped Via	Tracking/Bill of Lading No.
10/5/2000	10/4/2000	RPS	[redacted]

ORDERED	QUANTITY SHIPPED	ITEM NUMBER	DESCRIPTION	PART #	UNIT
1	1	461-0043	Inspiron 7500,750MHz,Pentium III with SpeedStep,15.4" SXGA GGP340B	162FD	EA
1	1	310-4600	Pass Through Port Replicator, Inspiron 7500,Factory Install	5827T	EA
1	1	311-1413	128MB,2 DIMMS,SDRAM, Inspiron 7500,Factory Install	3405T	EA
1	1	313-0196	56K Capable V.90 Gold Card Global PC Card Modem,Factoy Install	7843P	EA
1	1	313-6802	8X DVD Floppy Drive COMBO, INSPIRON,Factory Install	00GMD	EA
1	1	320-0254	2X AGP 8MB ATI Rage Mobility ("TM" Trademark)-P 3D Video Factory Install	8391R	EA
1	1	340-7052	20GB Hard Drive,Inspiron 7500,Factory Install	27WED	EA
1	1	412-0176	Resolution Assistant,Factory Install	54FTE	EA
1	1	412-1950	Dell Solution Center,Inspiron	49DRK	EA
1	1	412-5620	Norton Antivirus 2000, version 5.0 with CD & Documentation, English,Factory Install	562DP	EA
1	1	420-1990	Software,Windows 2000 Pro, Inspiron,English,Factory Install	477UX	EA
1	1	420-5555	Decoding,Software for Digital Video/Versatile Disk,Insprion Factory Install	77KGR	EA
1	1	422-4019	FREE Windows 2000 Training. To begin, register at www.EducateU.com,Fact Instl	00009	EA
1	1	900-3790	Next Business Day On-Site andCompleteCare ServiceInitial Year	0772E	EA
1	1	900-3792	Next Business Day On-Site andCompleteCare Service,2 Year Extended	2772E	EA
1	1	412-7070	MS Office Pro 2000,CD with DOCUS English,OEM Package	70XKK	EA
1	1	412-8996	MS Bookshelf 2000,CD & Docs, English,Factory Install	6998R	EA

TOTAL WT.	TOTAL PIECES
39.2188	1

For returns, see Dell's 'Total Satisfaction Return Policy'. Contact Customer Service for an authorization number.

REDACTED

[redacted]

Transaction History

OK 10/21/00 CQ

JASOS GROUP, L.L.C.

BUSINESS ECONOMY CHKG

[redacted]

Last Posting Date 10/19/2000

Since Last Statement Summary

Last Statement Date 9/30/2000

Balance Last Statement			$	7,394.99
Deposits/Credits	#	0	+	0.00
Withdrawals/Debits	#	9	-	3,977.59
Current Balance			$	3,417.40

Date	Amount	Balance	Transaction
* 8/31/2000	100.00	100.00	Deposit
* 9/05/2000	20000.00	20100.00	WIRE TYPE:FED IN
* 9/05/2000	10.00	20090.00	Wire Transfer Fee
* 9/05/2000	2.00	20088.00	Wire Transfer Fee
* 9/14/2000	14.00	20074.00	CHECK ORDER00075;DES=FEE
* 9/22/2000	4950.00	15124.00	Check 1152
* 9/25/2000	1987.71	13136.29	Check 1153
* 9/27/2000	641.30	12494.99	Check 5002
* 9/28/2000	5000.00	7494.99	Check 1154
* 9/29/2000	100.00	7394.99	Check 5001
10/02/2000	525.66	6869.33	Check 1155
10/02/2000	120.00	6749.33	Check 1151
10/03/2000	185.00	6564.33	Check 5003
10/04/2000	238.50	6325.83	Check 5005
10/10/2000	1987.71	4338.12	Check 1157
10/13/2000	620.72	3717.40	Check 1158
10/13/2000	100.00	3617.40	Check 5006
10/17/2000	100.00	3517.40	Check 5007
10/19/2000	100.00	3417.40	Check 5004

*** No More Activity For This Account ***

P = Items marked Pending have not yet been paid because they could cause your account to be overdrawn. If the Bank pays or returns this item, a service charge may result.

*** = Item(s) included in Previous Statement(s).**

For additional information or service, please contact the Customer Service Center at [redacted]

REDACTED

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